

D R A F T

HOUSING

An Element of the
Oakland Comprehensive Plan

City of Oakland
February 1992

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Contents

| | | |
|-----------|--|----|
| CHAPTER 1 | INTRODUCTION AND SUMMARY. | 1 |
| | Relationship of Housing Element to the Comprehensive Plan and General Plan. | 2 |
| | Summary | 3 |
| | Public Participation. | 5 |
| CHAPTER 2 | AN OVERVIEW OF OAKLAND'S HOUSING. | 8 |
| | Oakland's Population Characteristics. | 8 |
| | Oakland's Housing Characteristics | 11 |
| | Oakland's Housing Market | 13 |
| | Households with Housing Problems: A Statistical Survey. | 16 |
| CHAPTER 3 | SUBSTANDARD HOUSING. | 18 |
| | Extent of Problem. | 18 |
| | Problems and Obstacles | 20 |
| CHAPTER 4 | OVERCROWDING AND HOUSING PRODUCTION. | 26 |
| | Extent of Problem. | 26 |
| | Problems and Obstacles | 30 |
| CHAPTER 5 | THE HOUSING NEEDS OF LOW AND MODERATE-INCOME FAMILIES. | 32 |
| | Extent of Problem. | 32 |
| | Problems and Obstacles | 35 |
| CHAPTER 6 | OVERCONCENTRATION OF PUBLICLY-ASSISTED HOUSING . . | 41 |
| | Extent of Problem. | 41 |
| | Past Efforts | 42 |
| CHAPTER 7 | DISCRIMINATION IN HOUSING. | 47 |
| | Extent of Problem. | 47 |
| | Problems and Obstacles | 50 |
| CHAPTER 8 | OAKLAND'S FUTURE HOUSING NEEDS | 57 |
| | Demographic and Market Trends. | 57 |
| | Oakland and Regional Housing Needs | 60 |
| | Special Housing Needs. | 61 |

| | | |
|------------|---|-----|
| CHAPTER 9 | CONSTRAINTS ON THE PRODUCTION OF HOUSING | 67 |
| | Market Constraints | 67 |
| | Neighborhood Resistance to New Development . . | 78 |
| | Local Governmental Constraints | 79 |
| | Federal Policy Constraints | 89 |
| | Expiration of Federal Housing Subsidies. . . . | 91 |
| CHAPTER 10 | GOALS, POLICIES, AND PROGRAMS. | 93 |
| | Housing Goals. | 94 |
| | Housing Policies and Programs. | 95 |
| | Quantified Housing Objections. | 139 |
| | Housing Action Plan. | 149 |
| APPENDIX A | OPERATING STANDARDS RELATED TO PUBLICLY-ASSISTED HOUSING POLICIES. | 157 |
| APPENDIX B | ENERGY CONSERVATION SECTION OF THE HOUSING ELEMENT | 168 |
| APPENDIX C | SELECTED PROVISIONS IN THE OAKLAND PLANNING CODE | 170 |
| APPENDIX D | HOUSING UNIT CHANGES BY TYPE OF BUILDING | 171 |
| APPENDIX E | ANNUAL ACTION PLAN--EXPLANATION AND ASSUMPTIONS | 173 |

Tables and Maps

| TABLE | PAGE |
|---|------|
| 1 Total Population by Race: Oakland, 1970 and 1980 | 8A |
| 2 Total Population by Age: Oakland, 1970 and 1980. | 8B |
| 3 Household Composition: Oakland, 1970 and 1980. | 9A |
| 4 Total Housing Units by Size of Structure: Oakland, 1980 and 1990 | 11A |
| 5 Owner-Occupied Units by Size of Structure: Oakland, 1970 and 1980. | 11B |
| 6 Renter-Occupied Units by Size of Structure: Oakland, 1970 and 1980 | 11C |
| 7 Year-Round Housing Units by Number of Rooms: Oakland, 1970 and 1980. | 11D |
| 8 Value of Owner-Occupied Units: Oakland, 1970 and 1980 | 12A |
| 9 Gross Rent of Renter-Occupied Units: Oakland, 1970 and 1980 | 12B |
| 10 Type of Housing Problem by Tenure of Occupants: Oakland, 1980 | 16A |
| 11 Occupied Housing Units by Year Structure Built: Oakland, 1980 | 18A |
| 12 Estimated Total Housing Units By Condition: Oakland, 1982 | 18B |
| 12A Survey of Buildings Damaged by Loma Prieta Earthquake: Oakland 1990. | 18C |
| 13 Total Households by Number of Persons in Household: Oakland, 1970 and 1980 | 26A |
| 14 Persons Per Room In Owner-Occupied Units: Oakland, 1970 and 1980. | 27A |
| 15 Persons Per Room In Renter-Occupied Units: Oakland, 1970 and 1980 | 27B |
| 16 Overcrowded Housing Units by Household Areas: Oakland, 1970 and 1980. | 27C |
| 17 Income Limits for Low and Moderate-Income Families by Size: Oakland, 1980. | 33A |
| 17A Income Limits For Low and Moderate-Income Families By Size: Oakland, 1990. | 33B |
| 18 Low and Moderate-Income Households by Household Size: Oakland, 1980 | 33C |
| 19 Rental Households by Gross Rent as a Percentage of Income by Income: Oakland, 1980. | 34A |
| 20 Owner Households by Housing Costs as Percentage of Income: Oakland, 1980. | 34B |
| 21 Low and Moderate-Income Rental Households Paying 30 Percent or More of Income for Rent: Oakland, 1980. | 34C |
| 21A Low Income Renters Paying More and Less Than 30 Percent of Income for Housing: Oakland 1980 | 34D |
| 22 Low and Moderate-Income Owner Households Paying 30 Percent or More of Income for Housing Cost: Oakland, 1980. | 34E |

TABLE

PAGE

| | | |
|-----|---|------|
| 23 | (What was Table 23 is now Table 31B) | |
| 24 | (What was Table 24 is now Table 31C) | |
| 25 | Black Population by Census Tract Categorized According to Proportion Black: Oakland, 1970. | 48A |
| 26 | Black Population by Census Tract Categorized According to Proportion Black: Oakland, 1980. | 48B |
| 26A | Housing Discrimination Complaints on Oakland, All Categories: Fiscal Year 1984-85 through Fiscal Year 1988-89. | 49A |
| 26B | Housing Discrimination Complaints in Oakland Due to Race/Color: Fiscal Year 1984-85 through Fiscal Year 1988-89. | 49B |
| 27 | Selected Statistics from "Projections 90": Oakland, 1990 to 2005 and 1990-1995. | 58A |
| 28 | Estimated Need for Additional Housing Units by Household Income: Oakland, 1988-1995 | 61A |
| 29 | (Table 29 has been eliminated) | |
| 30 | Inventory of Large Residentially-Zoned Vacant Parcels in Oakland | 71A |
| 30A | Properties Administered by the Office of Community Development | 72A |
| 30B | Properties Owned by the City to be Developed through Requests for Proposals. | 72B |
| 31 | Single-Family Home Development Costs | 77 |
| 31A | Survey of Land Cost for Subsidized multi-family Rental Projects: Oakland, 1991. | 78A |
| 31B | New Publicly-Assisted Rental Housing for Very-Low and Low-Income Households by Type and Year Built: Oakland, 1989. | 116A |
| 31C | Publicly-Assisted Housing by Program, Bedrooms, and Projects: Oakland, March 1990. | 116B |
| 32 | Oakland's Past Performance: 1985 Through 1989. | 141A |
| 33 | Actual Increase in Housing Units Compared to City Goals and To Needs Determined by ABAG: Oakland, 1985-1989. | 142A |
| 34 | The Oakland Housing Action Plan: 1990 Through 1994 | 148A |
| 35 | Affordable Housing Units to be Conserved: Oakland, 1990-1994 | 149A |
| 36 | Housing Unit Changes by Type of Building: Oakland, California April 1, 1970 to April 1, 1980. | 171 |
| 37 | Housing Unit Changes by Type of Building: Oakland, California April 1, 1980 to April 1990 | 172 |

MAP

PAGE

| | | |
|---|---|-----|
| 1 | Publicly Assisted Housing in Oakland, 1990. | 42A |
|---|---|-----|

INTRODUCTION and SUMMARY

The physical appearance of Oakland as a whole and the life style of its residents are directly related to the condition, cost, and availability of its housing. In many ways, respects, the housing of a community mirrors its attitude about itself; its sense of self-image; and its commitment to a prescribed standard, either through self-regulation or some other means of inducement. ~~its moods and self-image, as well as its government.~~ Housing can be a status symbol, hobby, business, retreat, and sanctuary, as well as shelter. It is also a depository of the community's ~~Oakland's~~ heritage expressed in the varied architectural styles throughout the City.

Since the housing of a community is a reflection of the attitude of that community towards itself, it is of vital importance that excellence be the standard in every segment of the housing supply. The Housing Element presents the City with the opportunity to take the lead in developing the kind of housing required to meet the needs of its citizens in the 1990's and beyond. Oakland should no longer rely on traditional means for providing shelter for its residents. It should rethink the problem and be willing to consider innovative living styles if it is going to be a vital, exemplary city in the 21st century.

Because of all these things, housing will continue to be one of the most important concerns of Oakland's citizens and its government. Consistent with this concern are the following goals of the City of Oakland:

- . To ensure that every Oakland family has the opportunity to live in a sound housing unit, large enough to accommodate its members, at a reasonable cost relative to its income, and free from noneconomic constraints on its freedom of selection.
- . To provide for the housing needs of all economic segments, all age groups, and all household types.
- . To ensure a reasonable balance of housing according to ~~tenure~~ *occupancy type* (such as conventional ownership, condominium, *limited-equity cooperative*, or rental), dwelling type (such as single-family or multi-family buildings), price, density, type of amenities, and location.

The Oakland Policy Plan contains other goals, which, although not directly related to housing, are relevant and indicative of the

City Council's commitment to housing and associated issues. These goals are:

- To preserve and create attractive, safe, and convenient neighborhoods with good housing and adequate schools, parks, recreation centers, and other needed facilities.
- To protect and improve Oakland's physical environment.
- To ensure that each family, regardless of its income and relative to its needs, has access to the City's full range of benefits.

This concern with housing is also evident at the State and National levels. California has enacted a law requiring all cities in California to adopt a Housing Element as part of their general plans. In addition, the Federal government has supported this thrust by insisting on a housing program as prerequisite for certain kinds of Federal funding. This report will carry forward and update existing city housing policies in a manner that will satisfy local, State, and Federal requirements.

RELATIONSHIP OF HOUSING ELEMENT TO THE COMPREHENSIVE PLAN AND GENERAL PLAN

The Housing Element is one of many elements of the Oakland Comprehensive Plan; its policies are also incorporated into the Oakland Policy Plan. The Oakland Comprehensive Plan consists of the Oakland Policy Plan and any other element (report, action program, etc.) that Council declares to be part of the Comprehensive Plan.

Like every jurisdiction in California, Oakland, however, is legally required to have a "general plan". State Planning Law requires this of all cities; it cites various elements (such as housing, open space, and conservation) which a city shall or may include. "Housing" is a required element. The Oakland City Charter also mentions the City's "general plan" without, however, defining it. Therefore, for purposes of satisfying these two requirements, the City Council has declared that the Comprehensive Plan is also the City's general plan. Therefore this document, as adopted, is simultaneously the Housing Element of the Oakland Comprehensive Plan (pursuant to the requirements of state law) and of the City's general plan as required by the City Charter.

State Planning Law requires the Housing Element to identify "the means by which consistency will be achieved with other general plan elements and community goals". The Housing Element has been compared with all other components of the Oakland Comprehensive Plan and has been found not to be in conflict with, and thus

consistent with, all such other components. The City Council, in adopting this element, affirms such consistency.

SUMMARY

The Housing Element takes a problem-oriented approach by examining the general areas of substandard housing, overcrowding and housing production, housing needs of low and moderate-income families, overconcentration of publicly-assisted housing, and discrimination in housing. Each subject area is examined quantitatively, relying largely on Census data, and then reviewed for problems and obstacles effecting it. ~~This is followed by existing, modified, and new~~ City policies formulated to resolve the identified problems ~~and City Finally, existing and new~~ programs impacting the identified problem areas are covered in Chapter 10.

Chapter II, An Overview of Oakland Housing, provides the general setting and background for the element. ~~The chapter notes that Oakland has a population which has declined over recent decades, a significant unemployment rate, and a housing stock which in 1980 was 49.5 percent single-family and 50.5 percent multi-family.~~ The chapter notes that Oakland's population declined steadily from 1950 to 1980 but reversed the trend and grew five percent in the 1980's; and its housing stock seems stabilized at 49 percent single-family and 51 percent multi-family. In the future, it is expected that Oakland's population will generally stabilize around its present level (or continue to grow modestly) but will gain a relatively significant number of housing units because of the growing number of one-person households demanding housing. The spiraling cost of housing coupled with high demand will continue to have a substantial impact on the City's low and moderate-income population.

Chapter III, Substandard Housing, notes that Oakland, like most central cities, possesses a housing supply which is generally old and often in poor condition. An estimated 14,420 housing units in the City are considered deteriorating (9.4 percent) or dilapidated (0.2 percent). The existence of poor housing conditions is related to the economy of the City and the fact that poor people, whether owners or tenants, cannot afford to adequately maintain their housing. The City's major policy and program response has been oriented towards providing below-market-rate rehabilitation loans and grants and supportive services.

Chapter IV, Overcrowding and Housing Production, considers three interrelated issues: overcrowding, housing production, and housing costs. The 1980 census indicated that 9,437 of the City's households experienced overcrowded conditions. Exacerbating the situation is a slump in residential construction in Oakland in recent years and a dramatic rise in housing costs. Basically, families are overcrowded because they cannot find adequate lodgings

at a price they can afford, and the private market cannot build low-cost housing without government subsidies. Rising costs are a function of the continued desirability of the single-family house; the rising price of land, raw materials, and financing; and the buying power of families with two wage earners. These factors create a demand that has had repercussions on all aspects of the housing market, particularly on the low-income household. The City's only option to meet these needs is to rely on Federal and State rental subsidy programs or subsidized construction programs.

Chapter V, Housing Needs of Low and Moderate-Income Families, concentrates on those households which are "priced out" of the market for adequate housing that meets their needs. Data for 1980 indicates that there were 66,700 low-income households in Oakland, accounting for 47 percent of all households in the City. It is also estimated that 33,421 rental and 9,985 owner households in the City paid an excessive (more than 30 percent) amount of their income for housing payments. Almost 35,000 households actually paid more than 35 percent of their income for housing. The major problem, of course, is that there are not enough low-priced units or rental subsidies to meet the need. Here too, the City must rely on Federal and State housing programs to solve this problem.

Chapter VI, Overconcentration of Publicly-Assisted Housing, examines the impact of publicly-assisted housing projects on Oakland's neighborhoods; it also examines the associated concern of restricted housing choices for low-income families. The entire assisted housing stock (excluding Section 8 program units whose locations vary) is concentrated in 70 of Oakland's 104 census tracts. Most units are clustered in the City's low-income neighborhoods. The City has responded by encouraging efforts to provide greater choice for low-income households through an increase in the quantity and quality of locations and types of housing available to low and moderate-income households. The City has also developed a publicly-assisted housing allocation system to avoid excessive impact on any given neighborhood. This system assures a minimum distance between assisted housing locations and limits the size of projects.

Chapter VII deals with Discrimination in Housing. It is evident that housing discrimination continues to be a serious problem for the black and Spanish-Origin populations as well as for single women with children and other minorities. Restrictive loan practices, screening and "steering" of clients by real estate agents, and control of market information are a few of many discriminatory housing practices which have operated in Oakland. Although regulatory agencies abound at the Federal, State, County, and City levels, commitment in the form of money or ~~manpower~~ staff to control such practices has been limited.

~~Chapter VIII, the last chapter, provides a summary of the City's policies and programs, discusses the City's implementation proces-~~

~~ses, and outlines a five-year(1985-1990) (1990-1995) action program.~~

Chapter VIII examines Oakland's future housing needs. It also discusses the special housing needs of the homeless, the elderly, the handicapped, large families, families with a single parent head of household, farmworkers, and military personnel.

Chapter IX discusses the constraints which hinder or prevent Oakland's housing needs from being met.

Chapter X presents the goals, policies, and programs for the problems outlined in previous chapters. It also contains quantified housing objectives and a five-year Housing Action Plan for the years 1990 to 1995.

PUBLIC PARTICIPATION

~~To assist them in their deliberations concerning approval of the Housing Element, the Oakland City Planning Commission appointed a Task Force to review the draft document submitted to them by staff and to consider all comments that had been received on the draft, including those submitted by the California Department of Housing and Community Development. The Task Force had three meetings and recommended a number of changes to the draft document. Members of the Task Force, which was chaired by Planning Commissioner Bruce Black and co-chaired by Planning Commissioner Elijah Turner, consisted of the following persons.~~

| <u>Name</u> | <u>Affiliation</u> |
|-------------------|--------------------|
| Bob Chastain | Oakland Housing |
| | Organizations |
| Arthur B. Geen | Alameda County |
| | Taxpayers |
| Association, Inc. | |
| Mitch Hardin | Oakland Chamber of |
| | Commerce |
| Dick Hughes | Grubb and Ellis |
| Vivian Kahn | Kahn/Mortimer |
| | Associates |
| Lynette Jung Lee | East Bay Asian |
| | Local Development |
| | Corporation |
| Dick Neault | Neault and Asso- |
| | ciates |
| F. Kathryn Porter | The Claremont |
| | Company |
| Michael Rawson | Legal Aid Society |
| | of Alameda County |

~~Perry Shers~~ ~~Small Owners for~~
~~Fair Treatment~~
~~Michael Wong~~ ~~Asian Law Caucus~~

To provide public input and to assist City staff in revising the 1990-95 Housing Element, a series of public meetings were held on the Draft Housing Element. These included presentations which reviewed the progress made over the past five years and a summary of the new and expanded sections of the draft document. Hearings were held before all seven of the Community Development District Boards. These neighborhood meetings allowed the public from each area of the city to critique and comment on the draft Housing Element. Staff also appeared before the Oakland Chamber of Commerce and participated in several workshops with the Housing Element Task Force of Oakland Housing Organizations which provided a detailed analysis of the draft document with specific suggestions for revision. The Legal Aid society's newly-funded Housing Element Enforcement Project also supplied detailed comments. Following is a listing of all the organizations that reviewed the draft Housing Element.

1. *Oakland Chamber of Commerce*
2. *Urban Strategies Council*
3. *Oakland Housing Organizations*
4. *Chinatown/Central Community Development District Board*
5. *North Oakland Community Development District Board*
6. *Elmhurst Community Development District Board*
7. *West Oakland Community Development District Board*
8. *Fruitvale Community Development District Board*
9. *San Antonio community Development District Board*
10. *Central East Oakland Community Development District Board*
11. *Legal Aid Society of Alameda County*

In order to maximize public participation and input into the revised Housing element for 1990-1995, City Planning staff met with Oakland Community Development District Boards, Oakland housing organizations, and numerous other community organizations and interested persons to solicit comments on the proposed amendments to the Housing Element.

The comments and responses have been placed on file as a record of public input and participation; where relevant and appropriate, they resulted in changes to the draft document.

In addition, the City Planning Commission held a public hearing for which extensive notice was given to a wide variety of Oakland organizations and at which testimony was sought on the proposed Housing Element draft. The hearing was continued at a Planning Commission meeting after the State Housing and Community Development Department reviewed and commented on the draft and

after appropriate changes were again made to the draft. The Planning Commission approved the Element and referred it to City Council for adoption.

Finally, a hearing was held before the Oakland City Council for which, again, extensive notice was given to receive public comment and testimony on the final draft of the amended Housing Element.

CHAPTER 2

AN OVERVIEW OF OAKLAND'S HOUSING

This chapter presents a descriptive analysis of changes in Oakland's population and housing, a review of its housing market, and a statistical survey of households with housing problems. It provides a basis for understanding subsequent chapters which deal with specific housing problems. A broad-brush picture of the condition of Oakland's housing stock is also provided.

OAKLAND'S POPULATION CHARACTERISTICS

Oakland ~~has had~~ been experiencing a downward trend in population ~~since the 1950's~~ from 1950 to 1980. In ~~that decade~~ the 50's there was a 4.6 percent decrease in population. The 1960's saw a further 1.6 percent decrease to a 1970 population of 361,561, and by 1980, population had declined another 6.1 percent to 339,337. Oakland's population however, has been increasing since 1980 according to the State Department of Finance which estimated the City's population to be 351,115 354,954 on January 1, 1985 and 357,600 on January 1, 1990 -- a 1980-90 increase of 5.4 percent. ~~This general decrease~~ These changes in population since 1950 ~~has~~ have been accompanied by a major ethnic transition in which Oakland's white population steadily declined while its nonwhite population steadily increased. By 1970, 41 percent of the City's residents were nonwhite, and as of 1980, only 35 percent of the City's population was white. (See Table 1.) ~~Although there has been a long term decrease in population,~~ Overall, it is assumed that the population will stabilize at roughly its present 1990 level; expected changes will be limited to variations in size and type of household.

AGE COMPOSITION

For the period 1970 through 1980, every age category declined except for the 20-44 age group which increased 15 percent. (See Table 2.) This group occupied an overwhelming (40 percent) share of the population, over twice as much as any other age category. Those between the ages of 20 to 44 represent the tail of the "baby boom" of the fifties and early sixties.

Nationwide, births are up as this baby boom group reaches maturity. However, in Oakland the number of children under five fell almost twelve percent, and the 5-9 group showed the largest drop of any group--24.2 percent. Overall the decline for persons under 20 was close to 18,000. Despite this decline in the number of younger persons, the median age in Oakland remained constant at 31 years.

TABLE 1

TOTAL POPULATION BY RACE: OAKLAND, 1970 AND 1980

| RACE | 1970 | | 1980 | | CHANGE | |
|-------------------|---------|---------|---------|---------|---------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL | 361,561 | 100.0 | 339,337 | 100.0 | -22,224 | -6.1 |
| Black* | 122,301 | 33.8 | 157,314 | 46.4 | +35,013 | +28.6 |
| White* | 182,620 | 50.5 | 118,088 | 34.8 | -64,532 | -35.3 |
| Other* | 21,268 | 5.9 | 31,443 | 9.3 | +10,175 | +47.8 |
| Spanish Origin | 35,372 | 9.8 | 32,492 | 9.6 | -2,880 | -8.1 |

SOURCES: 1970 and 1980 Census of Population and Housing

*Excluding Spanish Origin.

TABLE 2

TOTAL POPULATION BY AGE: OAKLAND, 1970 AND 1980

| AGE GROUP | 1970 | | 1980 | | CHANGE | |
|-----------|---------|---------|---------|---------|---------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL | 361,561 | 100.0 | 339,337 | 100.0 | -22,224 | -6.1 |
| Under 5 | 26,543 | 7.3 | 23,380 | 6.9 | -3,163 | -11.9 |
| 5-9 | 28,158 | 7.8 | 21,344 | 6.3 | -6,814 | -24.2 |
| 10-14 | 27,882 | 7.7 | 22,506 | 6.6 | -5,373 | -19.3 |
| 15-19 | 28,355 | 7.8 | 25,884 | 7.6 | -2,471 | -8.7 |
| 20-44 | 119,712 | 33.1 | 138,079 | 40.7 | +18,367 | +15.3 |
| 45-64 | 83,303 | 23.1 | 63,349 | 18.7 | -19,954 | -24.0 |
| 65+ | 47,608 | 13.2 | 44,795 | 13.2 | -2,813 | -5.9 |

SOURCES: 1970 and 1980 Census of Population and Housing

This is because the 45-64 age group also suffered a loss of 24 percent.

These shifts in population by age group were reflected differently in the City's racial groups. The white population declined in all age groups, and the nonwhite population gained in all groups. The number of white persons under 18 years decreased almost 60 percent, while those over 65 decreased by only 25 percent. The number of nonwhite persons under 18 was virtually unchanged. The nonwhite population 18 years and older increased by more than 65 percent. Within both population groups, the changes in age composition meant that children were a smaller share of the total. Children in 1980 made up 10 percent less of the total nonwhite population than in 1970.

HOUSEHOLD COMPOSITION

Although the total number of people living in Oakland decreased between 1970 and 1980, the number of households increased--a trend that is expected to continue in the future. Reasons for this decline in the size of households include the nationwide trends towards more households headed by single people, higher divorce rates creating family dispersals, more nonfamily households (those containing one person or unrelated individuals), and younger people establishing households earlier than in previous years. These shifts in the quantity and composition of households in Oakland are shown in Table 3. The proportion of family households fell from 64 percent of total households in 1970 to 56 percent in 1980, while the proportion of households with unrelated individuals rose from more than 35 percent to over 43 percent in the same period. In addition, families headed by a husband-wife couple lost its proportional share of total households, while families with single male or female heads gained.

INCOME OF FAMILIES AND UNRELATED INDIVIDUALS

In the decade between 1970 and 1980, the median income of Oakland's families increased from \$9,626 to \$17,651, an 83 percent increase. (The Bay Area consumer price index for this same period increased 93 percent which would seem to indicate a decrease in real income for Oakland families.) For Oakland's unrelated individuals, the median income, \$7,699 in 1979, rose 133 percent.

The income of Oakland's nonwhite groups increased over this period but remained below that of the population as a whole. However, there were almost twice as many nonwhite families earning \$10,000 or more a year in 1979 than there were nonwhite families whose income was below the Federal poverty level.

POVERTY AND UNEMPLOYMENT

TABLE 3

HOUSEHOLD COMPOSITION: OAKLAND, 1970 AND 1980

| | 1970 | | 1980 | |
|---|---------|---------|---------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL HOUSEHOLDS | 138,831 | 100.0 | 141,657 | 100.0 |
| FAMILY HOUSEHOLDS | 89,233 | 64.3 | 79,649 | 56.2 |
| Husband-Wife | 69,998 | 50.4 | 51,331 | 36.2 |
| Other with Female or Male Head | 19,235 | 13.9 | 28,318 | 20.0 |
| Households of Unrelated Individuals | 49,598 | 35.7 | 62,008 | 43.8 |

SOURCES: 1970 and 1980 Census of Population and Housing

Family income alone is not the most accurate measure of economic well-being since it does not take into account the size of the family or the number of wage earners. As of 1980, 18 percent of Oakland's residents and 16 percent of Oakland's families had incomes below the Federally-established poverty level. In other words, almost one out of every five Oakland residents had incomes insufficient to maintain a minimum standard of living. The largest proportion of poverty families was concentrated in the black population where 24.9 percent of the persons and 23.4 percent of the families were classified as poor. In the Spanish-Origin population, 20.3 percent of the persons and 17.4 percent of the families were below the poverty level. Of the families below the poverty level, 64 percent had females as the family head, and of the poor black and Spanish-Origin families, 74 percent and 45 percent, respectively, had female heads. This indicates the greatest burden of poverty falls upon single women with dependent children.

Consistent with Oakland's relatively high poverty rate, the unemployment rate has been consistently high compared to the region. In 1980, 10.3 percent of the men and 8.4 percent of the women in the civilian labor force were unemployed. Black men and women had a significantly higher rate of unemployment--15.9 and 11 percent respectively. Spanish-Origin men also had a higher than average rate--11.9 percent in 1980.

~~Oakland's unemployment rate, according to the State Employment Development Department, increased from 7.5 percent to 12.4 percent between 1980 and 1983. As of October 1984, the rate was more than eight percent. For comparison, the State's unemployment rate rose from 5.9 percent in early 1980 to 7.5 percent in mid-1984 after reaching 11.1 percent in late 1982.~~

Oakland's unemployment rate, according to the State Employment Development Department, decreased from 8.4 percent in 1986 to 5.9 percent in 1989. As of January 1990, a preliminary report indicated a further drop in unemployment to 5.4 percent. In contrast, the State unemployment rate decreased from 6.7 percent in 1986 to 5.1 percent in 1989. However by January of 1990, the State unemployment rate was 5.5 percent, a figure slightly higher than Oakland's.

While Oakland's unemployment rate has decreased, even to a point slightly below the State average, the City still has a serious unemployment problem. For one thing, it does not reflect the growing segment of Oakland's population that has stopped looking for work and is therefore not included in the unemployment figures. In addition, much of the job demand in Oakland, according to ABAG's Projections 90 analysis, has been and will continue to be in the retail and service sectors. Although many of the jobs in these sectors do employ low-skilled and low-income Oakland residents, the pay is often low, and the jobs are frequently part-time and/or

temporary, thus not significantly alleviating the unemployment problem. The higher-paying, white-collar, regional-serving jobs that are being created as part of Oakland's steady emergence as an Eastbay employment center are more likely to be taken by recently-established residents or workers from other jurisdictions who tend to be well-trained and educated.

OAKLAND'S HOUSING CHARACTERISTICS

Despite the decrease in population from 1970 to 1980, Oakland's housing stock expanded by 2.5 percent from 146,608 housing units to 150,229 units. The period between 1980 to ~~1984~~ 1990 saw a further ~~1.3~~ 2.8 percent increase in the number of housing units. (See Table 4.)

OAKLAND'S HOUSING INVENTORY

~~Table 4 shows the change in housing units by size of structure. The number of single-family units in Oakland increased by close to three percent between 1970 and 1980; units in multiple-family structures gained only two percent. Table 4 also shows the change in housing units by size of structure for 1980 and 1990. Between 1970 and 1980, the percentage increase in single-family units was almost three percent, but for multiple-family units, it was only two percent. For the 1980-90 period, single-family units increased less than two percent, while multi-family units increased almost four percent.~~ Oakland's housing stock is almost equally divided between single-family and multi-family units, and this proportion has remained constant since 1970.

~~The percentage of Owner-occupied housing units has also remained stable at 42 percent of the occupied housing stock; in 1980 there are were 60,805 60,795 owner-occupied housing units.~~ Table 5 shows that owner-occupied single-family units increased by almost five percent while multiple-family owner-occupied units fell by almost nine percent. The renter-occupied housing stock ~~stands~~ stood at 80,852 units ~~for~~ in 1980. The number of renter-occupied units in structures with two or more units increased by three percent between 1970 and 1980, while the number of single-family rental units declined by six percent (see Table 6).

Housing unit size changed little in Oakland between 1970 and 1980 (see Table 7). Units with six or more rooms increased by over three percent while units with 1-3 rooms increased at a slightly lower rate. The only decline was seen in units with 4-5 rooms, but that was by less than two percent. The proportion of the housing stock which each of these three categories occupy did not change significantly in the past decade. There was a shift since 1970, however, towards larger units with more bedrooms. Units with three

Table 4

TOTAL HOUSING UNITS BY SIZE OF STRUCTURE:
Oakland 1980 and 1990

| Units in Structure | 1980 | | 1990 | | Percent Change |
|-----------------------|---------|---------|---------|---------|-------------------|
| | Number | Percent | Number | Percent | |
| Total | 150,229 | 100.0 | 154,366 | 100.0 | 2.8 |
| 1* | 74,374 | 49.4 | 75,685 | 49.0 | 1.8 |
| 2 or more | 75,855 | 50.5 | 78,681 | 51.0 | 3.7 |

Sources: 1980 Census of Population and Housing
Oakland City Planning Department

* Includes Mobile Homes and Trailers

TABLE 5

OWNER-OCCUPIED UNITS BY SIZE OF STRUCTURE:
OAKLAND, 1970 AND 1980

| UNITS IN STRUCTURE | 1970 | | 1980 | | PERCENT CHANGE |
|---------------------------|--------|---------|--------|---------|-------------------|
| | NUMBER | PERCENT | NUMBER | PERCENT | |
| TOTAL | 58,831 | 100.0 | 60,795 | 100.0 | +3.3 |
| 1 | 52,346 | 89.0 | 54,882 | 90.3 | +4.8 |
| 2 or More | 6,430 | 10.9 | 5,855 | 9.6 | -8.9 |
| Mobile Home or Trailer | 55 | 0.1 | 58 | 0.1 | +5.5 |

SOURCES: 1970 and 1980 Census of Population and Housing

TABLE 6

RENTER-OCCUPIED UNITS BY SIZE OF STRUCTURE:
OAKLAND, 1970 AND 1980

| UNITS IN STRUCTURE | 1970 | | 1980 | | PERCENT CHANGE |
|---------------------------|--------|---------|--------|---------|-------------------|
| | NUMBER | PERCENT | NUMBER | PERCENT | |
| TOTAL | 80,000 | 100.0 | 80,852 | 100.0 | +1.1 |
| 1 | 17,453 | 21.8 | 16,388 | 20.3 | -6.1 |
| 2 or More | 62,416 | 78.0 | 64,358 | 79.6 | +3.1 |
| Mobile Home or Trailer | 131 | 0.2 | 106 | 0.1 | -19.1 |

SOURCES: 1970 and 1980 Census of Population and Housing

TABLE 7

YEAR-ROUND HOUSING UNITS BY NUMBER OF ROOMS:
OAKLAND, 1970 AND 1980

| | 1970 | | 1980 | | |
|-------------|---------|---------|---------|---------|-------------------|
| | NUMBER | PERCENT | NUMBER | PERCENT | PERCENT CHANGE |
| TOTAL | 146,608 | 100.0 | 150,212 | 100.0 | +2.5 |
| 1 - 3 Rooms | 47,834 | 32.6 | 49,194 | 32.7 | +2.8 |
| 4 - 5 Rooms | 65,225 | 44.5 | 62,607 | 41.7 | -1.8 |
| 6 or More | 33,519 | 22.9 | 38,411 | 25.6 | +3.3 |

SOURCES: 1970 and 1980 Census of Population and Housing

bedrooms increased by almost 2,500 while those with four or more bedrooms increased by over 1,000. The number of studio apartments and one bedroom units also rose, but not as sharply. Only two-bedroom units decreased, but only by slightly more than one percent.

HOUSING COSTS

The cost of housing in the Bay Area soared over the past ~~fifteen years~~ several decades, and Oakland followed this regional trend. Between 1970 and 1980, the median value of homes in Oakland rose over 200 percent from \$21,300 to \$67,600. Table 8 displays the value distribution of owner-occupied units in Oakland.

Housing cost inflation is best illustrated by comparing the amount of housing valued at under \$20,000 in both 1970 and 1980. The 1970 Census placed more than 44 percent of all owner-occupied units at a value below \$20,000. In 1980 this percentage dropped to five percent. There was a consequent overwhelming increase in units valued at over \$50,000--from close to four percent in 1970 to over 66 percent in 1980. In general, the amount of low-cost ownership housing in Oakland has steadily decreased during the past decade. This trend is expected to continue.

~~The cost of construction is an important contributing factor to high housing prices. Construction per square foot for a single-family home was estimated by the Bank of America to have risen seven percent between 1980 and 1984. The average price of a single-family dwelling consequently rose between 1980 and 1984. A survey of the Oakland Board of Realtor's Multiple Listing Service found that the average selling price increased 72.5 percent for this period. Further, the Consumer Price Index for the San Francisco-Oakland area for housing costs increased 38.8 percent during the 1980-84 period.~~

The cost of construction is an important contributing factor to the high housing prices. Construction costs per square foot for a single family home nearly doubled between 1980 and 1989. Furthermore, based upon a survey of the Oakland Board of Realtor's Multiple Listing Service, it was determined that the median selling price had increased at an even higher rate of 158 percent over this same period.

The rental structure in Oakland paralleled the increase in the value of owner-occupied units. The median gross rent (which includes the cost of utilities) increased 100 percent--from \$116 per month to \$232 per month--between 1970 and 1980. Table 9 shows the changing rental market for ~~the past this~~ decade. As was the case for owner-occupied units, the number of rental units which could be considered low rent diminished. Between 1970 and 1980, the percentage of units renting for less than \$100 per month fell

TABLE 8

VALUE OF OWNER-OCCUPIED UNITS: OAKLAND, 1970 AND 1980

| | 1970 | | 1980 | | |
|--------------------|----------|---------|----------|---------|-------------------|
| | NUMBER | PERCENT | NUMBER | PERCENT | PERCENT CHANGE |
| TOTAL | 51,339 | 100.0 | 51,617 | 100.0 | +0.5 |
| Less than \$20,000 | 22,890 | 44.6 | 2,786 | 5.4 | -87.8 |
| \$20,000 - 34,999 | 20,665 | 40.3 | 7,218 | 14.0 | -65.1 |
| \$35,000 - 49,999 | 5,782 | 11.3 | 7,338 | 14.2 | +26.9 |
| More than \$50,000 | 2,002 | 3.9 | 34,275 | 66.4 | +1612.0 |
| Median | \$21,300 | - | \$67,600 | - | +217.4 |

SOURCES: 1970 and 1980 Census of Population and Housing

TABLE 9

GROSS RENT OF RENTER-OCCUPIED UNITS: OAKLAND, 1970 AND 1980

| | 1970 | | 1980 | | |
|----------------|--------|---------|--------|---------|-------------------|
| | NUMBER | PERCENT | NUMBER | PERCENT | PERCENT CHANGE |
| TOTAL | 79,557 | 100.0 | 79,961 | 100.0 | +0.5 |
| Less than \$80 | 15,131 | 19.0 | 1,801 | 2.3 | -88.1 |
| \$80 - \$99 | 13,080 | 16.4 | 3,174 | 4.0 | -75.7 |
| \$100-\$149 | 31,473 | 39.6 | 8,126 | 10.2 | -74.2 |
| \$150-\$199 | 13,571 | 17.1 | 14,949 | 18.7 | +10.2 |
| \$200-\$299 | 3,431 | 4.3 | 33,250 | 41.6 | +869.1 |
| \$300 or More | 1,070 | 1.3 | 17,468 | 21.8 | +1532.5 |
| No Cash Rent | 1,821 | 2.3 | 1,193 | 1.5 | -34.5 |
| Median | \$116 | - | \$232 | - | +100.0 |

SOURCES: 1970 and 1980 Census of Population and Housing

from 35 to six percent of total units. Those units renting for \$300 or more per month rose from one percent in 1970 to almost 22 percent in 1980.

~~Since 1980, the City's Office of Community Development has annually surveyed rental rates based on the Oakland Tribune classified ads. Between 1980 and 1984, the average monthly rental rate increased 50 percent. However, since 1982, the increase has been only 15 percent.~~

Since 1980, the City's Office of Community Development has annually surveyed rental rates based on the Oakland Tribune and The Montclairian classified advertisements. Between 1980 and 1989, the median monthly rental rate for a two-bedroom apartment, according to these sources, increased 90 percent.

OAKLAND'S HOUSING MARKET

The housing market is similar to any other economic mechanism which is regulated by supply and demand relationships. Supply considerations include quality, quantity, and price distribution of the housing stock. Demand elements include the ability and willingness of households to pay for housing of a certain type and size and in a certain location.

DEMAND FOR HOUSING

The changes in the composition of Oakland's population, discussed in the first part of this chapter, affect the demand for housing in Oakland--particularly the quantity, size, and quality of housing units for which the City's residents are willing and able to pay.

The most obvious change is in the size composition of Oakland's population. The population has increased slowly. ~~decreased, but~~ Households, however, have become smaller and more numerous. In addition, the numbers of young adults (20 to 44 years old) are increasing. The elderly, (those over age 65) decreased from 1970 to 1980 but are expected to increase over the next couple of decades.

Persons over the age of 65, as a group, will require more studio and one bedroom apartments if, as expected, their population grows. Similarly, young adults will also demand smaller units and, in many cases, will compete with the elderly group for this type of housing. This competition, in some parts of the City, could limit the amount of housing available to the lower-income elderly. In addition, groups of lower-income unrelated individuals in their twenties and early thirties are likely to live increasingly living together in collectively owned and rented single-family houses. The problems created by this unintended use of the City's single-

family housing resources was recognized by City Council when it amended the Zoning Regulations to require a use permit for altering a dwelling unit to create five or more bedrooms.

Younger households (with heads under 44 years) are exerting a significant demand on the single-family ownership market. Heads of households in the 25-44 year age group increased over 60 percent between 1970 and 1980. The demand of small, two wage-earner households has been significant and has, in some neighborhoods, outbid larger households with lower incomes. There has also been some indication that, in selected areas, increases in demand for the purchase of single-family homes has encroached upon the single-family rental market and has forced renters to look elsewhere or pay higher rents.

While Oakland's population has ~~been getting wealthier~~ grown in income production, the average family's income has not kept pace with the rising cost of housing. Families with two wage earners have been able to absorb these costs, but low-income families and elderly persons have been forced to divert larger portions of their incomes to housing at the expense of other household necessities (such as food, clothing, and medical services). This situation is amplified by the marked shift in the age, racial, and ethnic composition of the Oakland population. The proportion of the population belonging to nonwhite groups ~~has had~~ has had risen steadily ~~in the past ten years from 1970 to 1980.~~ And the proportion of the population 65 and over, though stabilized, ~~is~~ was quite significant. These groups have, on the average, lower incomes, higher poverty rates, and more unemployment than the rest of the population. At the same time, a higher percentage of nonwhite households are family-type households, and the families--~~especially~~ most notably among the black population--are often headed by only one parent. While more than half of the aged and nonwhite households in Oakland are not disadvantaged and could be classified as middle-class, a significant and rising number of them cannot afford decent housing in the Oakland housing market. Since housing demand is partially a function of ability to pay, these groups have a limited ability to ~~effect a housing demand on the private market.~~ provide the necessary incentives to cause the private sector to increase the available supply. As such, they are often reliant on publicly-assisted housing programs to provide the inexpensive affordable housing they need.

Other aspects of demand for housing in Oakland (the desire for a scenic view, access to shops or transportation, or proximity to a particular community, for example) while not discussed in this report, do play an important role in the Oakland housing market.

SUPPLY OF HOUSING

~~The most significant factor affecting the supply of housing has been a sharp rise in cost. The costs of providing new housing--especially labor, materials, and land--have all risen substantially. In fact, the Bank of America's appraisal department estimates that their 1984 yardstick house cost \$74,494, a 6.1 percent increase from the year before and a cost that excludes land, sales costs, and municipal hookup fees. The costs of maintaining a house have risen as well with repairs, taxes, and utilities all becoming more expensive in the past fifteen years.~~

The most significant factor affecting the supply of housing has been a sharp rise in the cost of housing which is beyond the ability of the average household to pay. The costs of providing new housing--especially labor, material, and land--have all risen substantially. As is evidenced in Table 31 of Chapter 9, the price of a new modest single family home in Oakland is approximately \$168,633, having increased 59 percent since 1985. In addition, the costs of maintaining a house have risen as well with repairs, taxes, and utilities all becoming more expensive.

Until very recently, there has been relatively little new unsubsidized multi-family rental construction in Oakland aside from the many subsidized rental units built for the elderly. This decline in lack of multi-family output has been occurring at the same time that the number of households in Oakland has been increasing--faster than in most recent previous periods. Among the key causes of this situation are interest rates for long-term financing of apartments which have remained too high to allow most new construction deals to be profitable; and construction and operating costs which have risen rapidly in the past few years. Construction of rental apartments is expected to increase in the future, but the key for Oakland, as with the rest of the region, is income. If newly-formed households, which now often double up, were to experience rising real incomes and better job prospects, they would demand separate accommodations and spur the market to produce more and higher-quality multi-family housing.

THE MARKET

In a free market, the amount and cost of goods produced is the result of the interaction of supply and demand. Developers must try to build the kind of housing that people want to live in to market it successfully. For this reason, supply must respond to the demand for housing. In some cases, the market may be found to be operating acceptably. Certainly, a housing market that can meet the demands of a population with fewer families, more households, more elderly, more young adults, and more renters, is obviously behaving responsively. On the other hand, the market does not, and generally cannot, respond to the needs of low-income families and

individuals for decent low-cost housing. For a number of reasons, this population finds it difficult, or may not want, to migrate to the suburbs or to another area where housing is ~~almost always~~ frequently more expensive than in Oakland. They will tend to remain here in the City where, unless subsidized, they will live in substandard housing, be overcrowded, or pay too much for their housing. Even if economic considerations were not a problem, a market that discriminates in the sale or rent of housing to nonwhite groups and large families acts to artificially restrict the supply. This, in addition to limiting choice, raises the cost of housing for these groups in many instances, often even higher than for other populations.

HOUSEHOLDS WITH HOUSING PROBLEMS: A STATISTICAL SURVEY

The material presented in the chapters that follow deals in some detail with specific housing problems within Oakland. ~~While~~ Such analysis is necessary; it is also useful to summarize, where possible, the total extent of housing problems experienced by Oakland's households.

The magnitude of three of these problems ~~are available directly from~~ were quantified directly by the 1980 Census of Housing data for both owner and renter households: substandard housing conditions, overcrowding, and excessive payments for housing.

Census data includes two indicators that relate to the condition of a housing unit: the adequacy of its plumbing facilities and its heating facilities. Persons-per-room ratios found in census material provide the data on overcrowding, which is defined as a housing unit with 1.01 or more persons per room (see Chapter 4). Ratios relating gross rent to income and monthly owner costs to income provide the basis for excessive housing payments, which is defined as a household paying 30 percent or more of its income for housing costs (see Chapter 5).

Table 10 summarizes the results of using census data to show the extent of housing problems in Oakland, for both renters and owners. There were 141,657 households in Oakland in 1980. Of these households, 2,856 lacked some or all plumbing facilities; 7,734 had inadequate heating facilities; 9,437 were overcrowded; and 43,406 (more than 30 percent of all households) had excessive housing payments. As one would expect, rental households accounted for an overwhelming number of each identified problem.

Each indicator of a housing problem ~~is~~ was less prevalent ~~now~~ in 1980 than in 1970. In 1970, the number of housing units lacking some or all plumbing facilities was 4,601--38 percent higher than in 1980; those with inadequate heating facilities numbered 8,728--11 percent higher; those which were overcrowded were

TABLE 10

TYPE OF HOUSING PROBLEM BY TENURE OF OCCUPANTS: OAKLAND, 1980

| HOUSING PROBLEM | TOTAL HOUSEHOLDS | | RENTAL HOUSEHOLDS | | OWNER HOUSEHOLDS | |
|---|------------------|---------|-------------------|---------|------------------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL HOUSEHOLDS | 141,657 | 100.0 | 80,852 | 100.0 | 60,805 | 100.0 |
| Lacking Complete Plumbing for Exclusive Use | 2,856 | 2.0 | 2,595 | 3.2 | 261 | 0.4 |
| Inadequate Heating Facilities | 7,734 | 5.5 | 5,533 | 6.8 | 2,201 | 3.6 |
| Overcrowded | 9,437 | 6.7 | 6,619 | 8.2 | 2,818 | 4.6 |
| Excessive Housing Rental Payments | 43,406 | 30.6 | 33,421 | 41.3 | 9,985 | 16.4 |

SOURCE: 1980 Census of Population and Housing

9,902--five percent higher; and those making excessive rental payments were 36,290--eight percent more than in 1980. (Data on excessive payments by owner households was not available in 1970.)

Two major qualifications exist concerning the data in Table 10. On the one hand, the number of households living in physically substandard housing units is understated when judged only by the condition of the plumbing and heating facilities within housing units. A more precise determination of the number of households living in deteriorating or dilapidated housing units--based on a survey conducted in 1982--is presented in Chapter 3. On the other hand, the data does not reveal how many of the households identified above as having some type of housing problem do so by choice, or do so involuntarily. A family could presumably "choose" to occupy substandard and/or overcrowded housing even though its income were high enough to find alternate suitable housing and such housing was easily available to it. Similarly, a relatively high-income family could "choose" to spend a high proportion of its income on housing even though less expensive but highly suitable housing was also easily available to it. Such households having so-called "housing problems" for the above two reasons should be excluded from the number of households having "legitimate" housing problems.

Three types of situations could account for households experiencing some type of "legitimate" housing problem involuntarily. First, a household which has too low of an income to find suitable housing that it can afford may be "forced" to accept housing that is substandard, too small, and/or too expensive. Chapter 5 attempts to identify households in this category by dealing with the housing needs of low and moderate-income families. Secondly, the unavailability of sound housing of the right size may "force" some households--even those with a relatively high income--to occupy inadequate housing. Chapter 4 discusses the extent to which the housing stock itself may be a contributing factor. And finally, a household--even with sufficient economic resources--may be "forced" to occupy inadequate housing because it is denied, for various reasons, access to otherwise suitable housing. Chapter 7, dealing with discrimination in housing, attempts to identify the number of households experiencing housing problems due to this factor.

CHAPTER 3

SUBSTANDARD HOUSING

Oakland, like most central cities, possesses a housing supply which is generally old and, especially in lower-income areas, in poor condition. Almost half of the City's total housing stock was built more than 50 years ago. These houses, if poorly maintained for a number of years, are highly likely to be substandard. For a number of reasons, the lack of maintenance of the City's housing stock has produced a significant number of deteriorating housing units. This category of housing is estimated to constitute almost ten percent of the total housing stock. In addition, Oakland has a number of vacant or abandoned housing structures. This chapter discusses various aspects of the substandard housing problem. The extent of the problem is dealt with first, followed by a discussion of major problems and obstacles which tend to hinder solutions. ~~The chapter concludes with~~ City policies dealing with substandard housing ~~and discusses~~ programs and strategies for alleviating the substandard housing problem *are contained in Chapter 10.*

EXTENT OF PROBLEM

In 1980, most of Oakland's housing stock ~~is~~ was over 20 years old. Forty-one percent of the total occupied units ~~in 1980~~ were in buildings constructed over 40 years ~~ago~~ earlier. Another 36 percent of the occupied units were built 20 to 40 years ago. (See Table 11.) The age of Oakland's housing, alone, indicates the importance of public and private efforts to maintain, conserve, and restore these older dwellings.

Fortunately, it seems that the overall condition of Oakland's housing has improved compared to the situation in the mid-sixties and early seventies. In 1966, a special survey found that 18 percent of the housing units were in structures which were deteriorating or dilapidated. By 1982, another survey found that only 9.6 percent of the units were not in "sound" condition. A summary of the 1982 survey and its application to the 1980 Census of Housing figures is found in Table 12. *Because of the impact of the 1989 Loma Prieta earthquake, the building condition survey should be amended with a survey of buildings damaged by the earthquake. Table 12A provides a summary of the survey's results.*

~~This~~The improvement in housing condition indicated by comparing the

TABLE 11

OCCUPIED HOUSING UNITS BY YEAR
STRUCTURE BUILT: OAKLAND, 1980

| YEAR STRUCTURE BUILT | TOTAL OCCUPIED UNITS | | OWNER-OCCUPIED UNITS | | RENTER-OCCUPIED UNITS | |
|-------------------------|-------------------------|---------|-------------------------|---------|--------------------------|---------|
| | UNITS | PERCENT | UNITS | PERCENT | UNITS | PERCENT |
| TOTAL | 141,657 | 100.0 | 60,805 | 100.0 | 80,852 | 100.0 |
| 1975 And After | 3,832 | 2.7 | 1,606 | 2.6 | 2,226 | 2.8 |
| 1970 to 1974 | 7,334 | 5.2 | 1,552 | 2.6 | 5,782 | 7.2 |
| 1960 to 1969 | 22,034 | 15.6 | 5,299 | 8.7 | 16,735 | 20.7 |
| 1940 to 1959 | 50,579 | 35.7 | 20,994 | 34.5 | 29,585 | 36.6 |
| 1939 or Before | 57,878 | 40.9 | 31,354 | 51.6 | 26,524 | 32.8 |

SOURCE: 1980 Census of Population and Housing

TABLE 12

ESTIMATED TOTAL HOUSING UNITS BY CONDITION: OAKLAND, 1982

| CONDITION OF STRUCTURE CATEGORY | TOTAL HOUSING UNITS | | SINGLE-FAMILY UNITS | | MULTI-FAMILY UNITS | |
|---|---------------------|---------|---------------------|---------|--------------------|---------|
| | UNITS | PERCENT | UNITS | PERCENT | UNITS | PERCENT |
| TOTAL UNITS | 150,212 | 100.0 | 90,889 | 100.0 | 59,323 | 100.0 |
| Sound | 135,792 | 90.4 | 78,801 | 86.1 | 55,230 | 93.1 |
| Deteriorating (Rehabilitation Feasible) | 14,120 | 9.4 | 12,088 | 13.3 | 3,915 | 6.6 |
| Dilapidated (Rehabilitation Not Feasible) | 300 | 0.2 | -0- | 0.0 | 178 | 0.3 |

SOURCE: Oakland Housing Condition Survey, 1982, Office of Community Development and 1980 Census of Population and Housing

TABLE 12A

SURVEY OF BUILDINGS DAMAGED BY LOMA PRIETA EARTHQUAKE: OAKLAND, 1990

| CONDITION ----- | NUMBER ----- |
|--------------------|-----------------|
| UNSAFE BUILDINGS | 147 |
| UNSAFE AREAS | 852 |
| LIMITED ENTRY | 347 |
| ----- | ----- |
| TOTAL | 1,346 |

Notes: (1) The figures include both residential and commercial buildings. Approximately one-fourth of the structures are commercial buildings.

- (2) Unsafe Buildings: For some of these structures, rehabilitation is feasible.
 Unsafe Areas: Majority unsafe because of chimney damage.
 Limited Entry: For all of these structures, rehabilitation is feasible.

 Source: City of Oakland, Office of Public Works,
 Earthquake Damaged Buildings Survey

1966 survey and the 1982 survey is due to a combination of several factors. One is the demolition of a significant number of residential buildings, principally for public projects such as redevelopment, road and highway construction, new public facilities, and code enforcement. From 1970 to 1980, more than 4,000 housing units were demolished; in the 60's, more than twice this number were removed from the supply. Despite this tremendous loss, new housing construction increased the City's net total housing count during that same twenty-year period by 8,750 units to 150,229 total units. Almost 6,000 of these new units were built under various government programs which provided subsidies and assistance for new lower-income housing. (See Chapter 5.) Nevertheless, the demolition of so many housing units must have created a significant impact on the remainder of Oakland's housing stock and many hardships for the persons displaced. While no accurate figures are available, it can be assumed that most of the demolished units were older and probably in poor condition. Many were occupied by lower-income households whose displacement undoubtedly created pressures on the remaining lower-priced units elsewhere in Oakland thus contributing to higher rents and lower vacancy rates.

While the data in table 12 is almost 10 years old, it is consistent with the City's Housing Assistance Plan and is still considered valid. This belief is bolstered by staff experience in the field and from discussions with Oakland housing developers.

VACANT AND ABANDONED HOUSING

In the late sixties and early seventies, housing abandonment was a serious problem in some parts of Oakland. The situation has ~~been steadily improving over the last eight to ten years~~ improved since then. Factors which contributed to this improvement include: declining rental vacancy rates and higher rents; availability of low interest loans and grants for correcting code deficiencies; City code enforcement actions; and a growing public attitude that older houses should be preserved and restored and that they make desirable places in which to live.

~~In 1981, and again in 1983, the City's Office of Community Development (OCD) surveyed all single-family homes in the seven community development districts. The 1983 survey showed a significant reduction over 1981 in the vacant housing count in each district, with the exception of the Elmhurst district.~~

In 1985, and again in 1988, the City's Office of Community Development (OCD) surveyed all single-family homes in the seven Community Development districts. The 1988 survey showed a decrease of 7.9 percent (from 771 to 710) in the number of vacant houses in all of the districts. The only district that showed a significant increase in the number of vacant houses was the Elmhurst District (15.8 percent).

The two surveys rated each home by its condition, existence of fire damage, and whether it was properly boarded and secured from vandals; they also noted whether it was for sale or rent. The results of these surveys seem to demonstrate an ~~dramatic~~ improvement in housing quality in Oakland. In comparison to 1974, when about 1,200 vacant units were found in East Oakland alone, there ~~are now were~~, according to OCD's 1988 Vacant Housing Survey, only 366,488 vacant single family homes in East Oakland and 484 out of a total of 710 vacant single family homes in all seven Community Development districts citywide.

However, any number of vacant homes not actively for sale or rent represents a serious problem for a neighborhood. Most of this type of housing needs a substantial investment in work and money to make it habitable. The longer a house is vacant, the more likely it is to suffer vandalism and fire damage, and the more it will cost to rehabilitate. The presence of abandoned homes also serves to discourage investment in maintenance by other property owners. In addition, owners of dilapidated vacant homes often either cannot or will not take action to repair or dispose of their property.

The City has several programs focusing on vacant homes. These include code enforcement, demolition of hazardous dwellings, vacant housing acquisition and resale, and HUD's Urban Homesteading program. These are described in more detail in Chapter 810.

~~In 1983, 22 percent of the homes surveyed by OCD were in good condition. About ten percent were actively for sale. Over half of the homes (260 structures) were judged to be in poor condition with the need for major repair. For many of these buildings, demolition may be the only economic answer. The remaining 24 percent were substandard, but rehabilitation appeared feasible since the cost of such work was less than 50 percent of the replacement cost.~~

In 1988, 167 or 23.5 percent of the vacant homes surveyed by OCD were in good condition; 12.7 percent were actively for sale. Throughout the seven Community Development districts, 222 vacant houses, or 31.3 percent of the houses, were determined to be in poor condition; and 314 houses, 44.2 percent, were in fair condition.

PROBLEMS AND OBSTACLES

Several factors exist in Oakland which serve as obstacles to the rehabilitation of the City's housing stock. Most of these factors are common to all older central cities with large lower-income populations. Other factors, which have come into play only recently, may be encouraging disinvestment and furthering deteriora-

tion. Still others, which result in improved housing conditions, will produce higher rents or displacement of lower-income tenants. These obstacles and problems are discussed below.

ECONOMIC OBSTACLES

1. Affordability. Over the past decade, housing costs in the Bay Area have increased significantly. Many lower-income homeowners cannot afford any increase in their housing costs; even the payments on a low-interest loan may be too much for their budget. Even moderate-income homeowners may find home repairs or improvements difficult to afford. This is especially true for those who bought an older home within the last few years. Their monthly expenses may be so high already that they don't have the ability to pay for rehabilitation or repairs, and yet their incomes are too high to qualify for the City's rehabilitation loans.
2. Rehabilitation of Rental Property. Rehabilitation of rental properties is even more difficult to encourage. The market rents in some neighborhoods may not be high enough to provide owners with an incentive to maintain and upgrade their rental property. Subsidized loan programs for rental rehabilitation have extremely limited resources; therefore, the programs have not been able to meet the need for them. It is often necessary to combine low interest loans with rent subsidies to prevent tenant displacement or to prevent owners from raising rents beyond the level of affordability of lower income residents. This makes rental rehabilitation programs very expensive. Sometimes, tenant relocation is inevitable, such as when the rehabilitation process results in fewer units in a building than existed before. This can be a very controversial problem, especially when there are few housing choices for the displaced tenants.
3. Lack of Sufficient Funds For Rehabilitation Programs. The problem of affordability is compounded by limited funding available for rehabilitation loans. The goal of rehabilitating the maximum number of units conflicts with the goal of providing financial assistance to those who can least afford commercial loans. To reach the low-income owner or renter, substantial subsidies are necessary. In its homeowner loan programs, Oakland attempts to strike a balance between deferred loans and low-interest loans. Formerly, the City offered rehabilitation grants to homeowners, but these were discontinued in favor of deferred loans which are repaid when the property is sold. Oakland also makes use of federal and state rehabilitation loan programs and local mortgage revenue bonds.
4. Tax Incentives. The tax laws have not specifically encour-

aged the rehabilitation of rental housing with the exception of credits for energy conservation improvements and for substantial rehabilitation of very old or historic buildings. The investor/owner's motivation to make major improvements to his or her property is the belief that the expense will result in a significantly higher market value for the property or greatly increased rents. ~~In periods such as the last several years where existing housing values are increasing only two or three percent per year, this incentive is not very strong.~~

SOCIAL OBSTACLES

One factor contributing to substandard housing is the lack of experience on the part of some homeowners with the financing, planning, and carrying out of major repairs or rehabilitation work. In some cases, this lack of experience extends to ignorance of the range of maintenance activities necessary to keep a house in good condition and how to budget for such maintenance costs. In a similar vein, some homeowners are not familiar with home loan instruments and mortgage terms such as "delinquent," "default," and "foreclosure"; neither are they familiar with their options for redress when they fall in arrears in their house payments. This ignorance has led to situations in which low-equity homeowners, who are behind in their house payments and have received a delinquency notice, abandon their property which, when vacant, often becomes vandalized. They are not aware that they have not yet lost legal interest in the property or that the mortgage holder may be willing to negotiate a settlement rather than go through foreclosure proceedings.

PHYSICAL FACTORS

1. Age. With the vast majority of Oakland's housing over 20 years old, age alone indicates that there is a big need for programs to combat housing deterioration. However, the last 15 years have seen a growing interest and appreciation of the design, architecture, and materials found in older homes. Oakland still possesses a large collection of Victorian, Neoclassic, Craftsman, and Period Revival styles, though many fine examples have been lost to redevelopment and misguided "modernization". The success of the City Planning Department's award-winning publications, Rehab Right and Retrofit Right, which give owners specific guidance on how to renovate old homes and make energy conservation improvements without destroying the homes' architectural qualities, indicates the strong interest in housing preservation.
2. Vacant and Abandoned Housing. As mentioned previously, the presence of vacant or abandoned housing and vacant lots which collect litter and trash and generally create visual blight is

a problem. While the extent of the problem is declining, it is still a serious detrimental factor in certain neighborhoods.

3. Land Use Pattern. Incompatible land uses developed in close proximity without adequate buffers, screening, and design controls can cause deterioration and disinvestment in a neighborhood. In the past, some housing developments were built in areas poorly suited for housing. In other parts of the City, freeways and industrial uses have encroached upon residential neighborhoods. Proximity to freeways, airports, railroad tracks, or noisy and unsightly industrial or commercial uses discourages owners from investing in maintenance and rehabilitation because the value of their property will be chronically depressed due to its poor location.

GOVERNMENTAL OBSTACLES

1. Zoning. Industrial zoning of residential areas may contribute to their decline since it is very difficult for an owner to obtain rehabilitation financing, and permits for major rebuilding are not allowed. Industrial zoning could encourage large scale, private redevelopment and conversion to industrial uses. Usually, the cost of land assembly is prohibitive, and the result is the scattered development of small industrial sites among residential dwellings. *In an effort to mitigate the negative impacts of this type of haphazard development, the City established a new zoning classification entitled the S-13 Mixed Use Development Combining Zone. This zone is intended to be combined with industrial and other zones which do not permit or conditionally permit residential activities; it recognizes that in certain instances, a compatible mixture of residential, commercial, and/or light industrial activities may be achieved. The Mixed Use Combining Zone conditionally permits residential activities and provides for a density equivalent to the closest residential zone, thus ensuring consistency with the area's existing residential character. Its feature as an overlay zone results in maintenance of all other existing provisions of the underlying Industrial Zone. The S-13 Mixed Use Combining Zone allows for preservation of the residential character of adjacent developments while also allowing the site's owner to take advantage of market opportunities for nonresidential activities, as appropriate. Special criteria were developed for the zone to minimize potential use conflicts within a given development project and between the project and adjacent uses.*
2. Commercial and Institutional Expansion Into Residential Areas. The expansion of commercial and institutional uses into residential neighborhoods is another contributor both to housing deterioration and loss of units. Where higher rental income results from conversion of a residence to office or

retail use, owners may have little interest in maintaining their houses. The City's residential dwelling conversion controls (Section 7026 of the Zoning Ordinance) protects housing to some degree by requiring a conditional use permit for conversion. However, a property owner can obtain a demolition permit and then, later on, apply for a permit to build a new commercial structure. Owners with future plans to convert a residential structure may deliberately allow the building to become run-down, refuse to do repairs, and encourage the tenants to move out. Eventually the building may become unoccupied and uninhabitable, thus qualifying it for a use permit for conversion to commercial use.

3. High Density Zoning. Similarly, high density residential zoning in a predominantly single-family low-density area can contribute to the deterioration of the area. This type of zoning "mismatch" can produce three types of negative impacts. First, there are potential psychological effects: homeowners may feel that upgrading their homes is futile if there could be a large influx of multi-family units into the neighborhood, thereby changing the area's character. Secondly, deterioration may occur from speculative investors. Property owners may hold property until the market, interest rates, or necessary financing is appropriate for redevelopment. Income from the property is maximized by withholding investment in property maintenance. The last consequence of such zoning occurs in isolated locations. Abutting properties are impacted by congestion, shadows producing loss of sunlight, and loss of privacy. *Notwithstanding the above, the City does recognize that well-planned density increases can avoid such problems. In fact, increased density can often be used as a tool to increase the supply of affordable housing, which is in high demand throughout the City.* For further discussion on the impact of zoning in Oakland's residential areas, refer to the City's Land Use Element.
4. Housing Codes and Code Inspections. Government codes designed to regulate the construction and rehabilitation of housing may, in some cases, discourage rehabilitation efforts. The Oakland Housing Code regulates existing structures and requires that they be brought up to and maintained at a level equivalent to those standards which were in existence at the time of the structure's construction. The inspection process associated with the code requires that all violations detected must be recorded and abated. The time period for remedying the situation varies with the severity of the violations. Generally those situations which involve definite and immediate health and safety hazards must be abated quickly. The fact that all violations are recorded and eventually must be corrected may tend to discourage persons from seeking inspections if they feel that there would be more expense as a result of such a process. Persons wishing to make modifica-

tions to a structure may either be discouraged from doing so at all or may try to do so without City inspections.

OVERCROWDING AND HOUSING PRODUCTION

Three housing issues--overcrowding, lack of housing production, and increasing housing costs--are closely linked. This chapter discusses the changing composition of Oakland households as related to housing production and overcrowding. The extent of overcrowding and housing production is first set forth. Associated problems and obstacles are then discussed. ~~followed by City policies, City programs, and strategies established in response to these issues.~~ *City policies and programs dealing with these problems are contained in Chapter 10.*

EXTENT OF PROBLEM

The changes and fluctuations in the size and number of Oakland households have a direct bearing on overcrowding, cost, and production problems. These changes are shown in Table 13.

Oakland experienced a slight increase of two percent in the total number of households between 1970 and 1980. The most dramatic change was in households of six or more persons which decreased by nearly one-third, a drop of close to 3,000 households; five-person households also declined by more than 12 percent. In contrast, one-person households were up almost 18 percent, an addition of over 7,800 households over 1970, and are now the most numerous type of household in Oakland.

Although a shift toward smaller households has occurred, housing production has not kept pace with this trend. The 1980 data indicates that studios and one-bedroom units gained only modestly, and the number of two-bedroom units actually decreased. While households with five or more persons dropped 43 percent, the number of units with three or more bedrooms rose more than 20 percent. A gross comparison of the number of one and two-person households and the number of zero and one-bedroom units in 1980 indicates that there is a deficiency of approximately 39,000 units. This data suggests that a large portion of one and two-person households are occupying housing units of a larger size than they need. This in turn tends to reduce the total number of units available for larger households.

TABLE 13

TOTAL HOUSEHOLDS BY NUMBER OF PERSONS IN HOUSEHOLD:
OAKLAND, 1970 AND 1980

| NUMBER OF PERSONS IN HOUSEHOLD | 1970 | | 1980 | | CHANGE | |
|-----------------------------------|---------|---------|---------|---------|--------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL | 138,827 | 100.0 | 141,657 | 100.0 | 2,830 | 2.0 |
| 1 | 43,960 | 31.6 | 51,802 | 36.6 | 7,842 | 17.8 |
| 2 | 44,291 | 31.9 | 42,329 | 29.9 | -1,962 | -4.4 |
| 3 | 19,680 | 14.1 | 20,415 | 14.4 | 735 | 3.7 |
| 4 | 13,525 | 9.7 | 13,656 | 9.6 | 131 | 1.0 |
| 5 | 7,942 | 5.7 | 6,953 | 4.9 | -989 | -12.4 |
| 6 or More | 9,429 | 6.8 | 6,502 | 4.6 | -2,927 | -31.0 |

SOURCES: 1970 and 1980 Census of Population and Housing

OVERCROWDING

Overcrowding is one of the most pervasive housing problems in Oakland, second only to the problem of households paying more than they can afford for housing. The 1980 Census indicated that 9,437 of the City's households experienced overcrowded conditions. The conventional measure of overcrowding is a housing unit occupied by more than one person per room. For example, a typical two-bedroom apartment--including kitchen, bathroom (not counted as a room) and living-dining room--would be overcrowded if it had more than four occupants. By this standard a total of almost seven percent of the total housing stock was overcrowded in 1980. ~~(See Tables 14 and 15.)~~

Overcrowding often arises when families cannot find adequate housing at prices they can afford. It is generally accepted that overcrowded conditions have an adverse effect on affected households and on housing itself. From the household perspective, overcrowding means loss of privacy, inadequate kitchen and plumbing facilities, and a generally inadequate living environment. It is also difficult, if not impossible, to keep up regular household maintenance as the overcrowded living space bears the brunt of accelerated wear. The economics that lead to overcrowdedness preclude, in many cases, the associated increase in repair and maintenance requirements. When overcrowding does occur, it can often lead to accelerated deterioration in the City's housing stock. Thus, overcrowding is both a symptom of an inadequate housing supply and a cause of substandard housing.

Overcrowding within the rental stock (see Table 15), 8.2 percent in 1980, ~~has~~ changed only slightly since 1970 when the rate was 8.3 percent. However, in the owner-occupied category (See Table 14), the proportion of overcrowded units ~~has~~ dropped from 5.6 percent in 1970 to 4.6 percent in 1980. It is expected that overcrowding would generally increase in the near future in the absence of active governmental construction programs and the existence of high housing costs and a high demand for housing.

Overcrowding is concentrated among certain ethnic and economic groups and in certain areas of the City. It occurs more frequently among Spanish-Origin and Asian/Pacific Islander households--20.1 percent in the former and 18.9 percent in the latter in 1980. The rate of overcrowding was 14.1 percent for the American Indian/Eskimo population and 7.8 percent for the black population.

Geographically the greatest amount of overcrowding is found in Oakland's flatlands, where there is also concentration of the City's low-income population (See Table 16). The Fruitvale, Elmhurst, and San Antonio areas were most overcrowded. The Fruitvale and San Antonio areas are also where high concentrations of Spanish-Origin persons live. Between 1970 and 1980, overcrowding decreased in five areas of the City (West Oakland, Elmhurst,

TABLE 14

PERSONS PER ROOM IN OWNER-OCCUPIED UNITS:
OAKLAND, 1970 AND 1980

| PERSONS PER ROOM | 1970 | | 1980 | | CHANGE | |
|------------------|--------|---------|--------|---------|--------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL | 58,831 | 100.0 | 60,805 | 100.0 | +1,974 | +3.4 |
| 1.00 or Less | 55,262 | 94.0 | 57,987 | 95.4 | +2,725 | +4.9 |
| 1.01 to 1.50 | 2,607 | 4.4 | 1,841 | 3.0 | -766 | -29.4 |
| 1.51 or More | 962 | 1.6 | 977 | 1.6 | +15 | +1.6 |

SOURCES: 1970 and 1980 Census of Housing

TABLE 15

PERSONS PER ROOM IN RENTER-OCCUPIED UNITS:
OAKLAND, 1970 AND 1980

| PERSONS PER ROOM | 1970 | | 1980 | | CHANGE | |
|------------------|--------|---------|--------|---------|--------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT | NUMBER | PERCENT |
| TOTAL | 80,000 | 100.0 | 80,852 | 100.0 | +852 | +1.1 |
| 1.00 or Less | 73,337 | 91.7 | 74,233 | 91.8 | +896 | +1.2 |
| 1.01 to 1.50 | 4,439 | 5.5 | 3,507 | 4.3 | -932 | -26.6 |
| 1.50 or More | 2,224 | 2.8 | 3,112 | 3.9 | +888 | +39.9 |

SOURCES: 1970 and 1980 Census of Housing

TABLE 16

OVERCROWDED HOUSING UNITS BY HOUSEHOLD AREAS:
OAKLAND, 1970 AND 1980

| HOUSEHOLD AREA | PERCENT OVERCROWDED | |
|-----------------------|---------------------|------|
| | 1970 | 1980 |
| TOTAL | 7.4 | 6.7 |
| Elmhurst | | |
| San Antonio | 14.3 | 10.8 |
| Fruitvale | 8.7 | 10.3 |
| Central East Oakland | 7.8 | 11.8 |
| Chinatown and Central | 9.3 | 8.0 |
| North Oakland | 4.0 | 5.2 |
| West Oakland | 5.9 | 3.6 |
| North Hills | 13.4 | 9.0 |
| South Hills | 1.0 | 0.4 |
| Lower Hills | 1.4 | 1.1 |
| | 2.2 | 2.3 |

SOURCES: 1970 AND 1980 Census of
Population and Housing

North Oakland, and the North and South Hills) and increased in four others (Fruitvale, San Antonio, Chinatown/Central, and the Lower Hills).

Although the total rate of overcrowding for the City fell since 1970, the high demand for single-family housing in certain parts of Oakland is expected to make the problem worse. For example, homes formerly rented in North Oakland are being converted to owner-occupied units, and rents for the remaining multi-family and single family units have increased significantly. The result is that lower-income renters are being gradually forced out of the area and must compete with other low-income households for a dwindling supply of lower-priced housing. This situation, which could become more widespread throughout the City, tends to exacerbate the overcrowding problem.

HOUSING PRODUCTION

Overcrowding in Oakland is associated with a mismatch in the City's housing supply. In 1980 more than 90 percent of all owner-occupied units with eight or more rooms had households of five persons or less. Additionally, almost 70 percent of the renter-occupied units with seven or more rooms had households with four or less persons. Consequently, large lower-income families requiring large units are forced to compete financially for such housing with smaller-sized families who can afford to occupy units with more space than they need. But large, lower-income families should probably spend less than the 30-percent-of-income standard for housing since other necessary expenses take a large share of their income. Even if the housing market produced a sufficient number of appropriately sized housing units, lower-income families may not be able to afford them. Thus larger, poorer families are left with little choice but to overcrowd when they cannot afford large units.

The type, quantity, and cost level of housing units produced have a direct bearing on this problem. In an ideal situation, housing would be produced which would respond to all segments of the housing market both by size and price. Generally, however, housing which meets the greatest economic demand is most likely to be built. As a result, private market new construction since 1980 has been mostly limited to single-family homes in the hills and condominium units for the middle and upper-middle-income segments. Publicly-assisted housing, which accounted for ~~1,031~~ 586 substantially rehabilitated or newly constructed units ~~or 42-19 percent~~ produced between ~~1980 and 1983~~ 1984 and 1989, has not affected the overcrowding situation. ~~Only 113 of those completed were family subsidized housing units; the remainder were exclusively for the elderly.~~

~~Housing demolitions fell steadily from 151 units in 1980 to 79 units in 1983.~~ totalled 813 units in the 1980-90 period. However,

the majority of the demolitions occurred in lower-income areas. Overcrowding of poor families is likely to continue given the current trends in housing production, demolition, and rising costs.

HOUSING COSTS

The cost of housing in Oakland increased significantly between 1970 and 1980. The median value of owner-occupied units rose from \$21,300 in 1970 to \$67,600 in 1980; in this same period, median gross monthly rent increased from \$116 to \$232. Housing costs have also continued to increase since 1980. Overall, California home prices increased 16 percent significantly since 1980, but they rose locally at a faster pace. In 1984 the average selling price of units listed by the Oakland Board of Realtors in their multiple listing service for Oakland zip code areas was over \$156,000, up 72.5 percent from 1980. A survey of rents showed an increase of 50 percent during the same period. While other factors are involved, a good part of this increase can be attributed to the higher costs of new construction. Family income, however, has not kept up with this cost increase. The median family income for the Alameda/Contra Costa County PMSA (Primary Metropolitan Statistical Area) increased only 32 percent between 1980 and 1984. The median selling price of homes listed by the Oakland Board of Realtors in their multiple listing service for Oakland Zip Code areas in 1988 was \$185,000, up 158 percent from 1980.

Rental costs also rose at significant rates between 1980 and 1988. A survey of advertised rents in the Oakland Tribune for the period between 1980 and 1988 showed increases of 85 percent for two-bedroom apartments, 90 percent for one-bedroom apartments, and 97 percent for studio apartments. For the same period, a survey of advertised rents in the Montclairion (a local Oakland newspaper) showed increases of 90 percent for two-bedroom apartments, 77 percent for one-bedroom apartments, and 87 percent for studio apartments. The Consumer Price Index for the San Francisco-Oakland Metropolitan Area indicates that shelter costs rose an average of 38.8 percent from 1980 to 1984. The shelter cost index for "all urban consumers" includes the following subcategories: renters' costs, residential rent, and homeowners' costs. The sharp increases in housing costs have consistently made it more difficult for poorer families to obtain adequate housing. Large poor families especially cannot afford housing of adequate size even if it becomes available. It is also likely that increasing numbers of middle income households are being priced out of the homeownership market and are turning to rental housing. In the future, more and more families, both low and middle income, may be forced to double up with other families to obtain homeownership status. The Consumer Price Index for the San Francisco-Oakland Metropolitan Area indicates that shelter costs rose an average of 81.8 percent from 1980 to 1989. The shelter costs for "all urban consumers" includes the following

~~subcategories: renters' costs, residential rent, and homeowners' costs.~~

From 1980 to 1988, income levels for low-income residents of Oakland were estimated to have increased by approximately 70 percent. These statistics indicate that while the income for lower income persons increased significantly, housing costs rose at a faster pace. Therefore, lower-income families were worse off in 1988 than they were in 1980. The sharp increases in housing costs made it more difficult for poorer families to obtain adequate housing.

PROBLEMS AND OBSTACLES

The problem of overcrowding is the product of a number of related factors. Socio-economic, physical, and governmental factors contributing to the problem are discussed below.

SOCIO-ECONOMIC

For most families living in overcrowded conditions, the cause is economic. They simply cannot afford to pay the cost of a sufficiently large housing unit. Overcrowding is not just a problem for large families; it is also experienced by smaller households. However, large families have a more limited housing selection available to them, especially if they are renters with low or moderate incomes. One solution to this problem would be to increase the funding for rental subsidy programs such as Section 8 and to increase production of new subsidized units. Increased income-maintenance payments or improved economic status would allow families suffering overcrowding more opportunity to find better housing.

However, the political and fiscal climate at both the state and federal levels is such that it is extremely unlikely that any significant increases in rental assistance or income maintenance programs will be proposed in the next few years. Job growth and economic development may raise real income levels of some households allowing them to afford better housing, but dramatic changes are unlikely.

Of course, overcrowding is sometimes a matter of ~~choice and~~ priorities. Savings on housing expenses can be used for other needs--such as medical bills, education, or a better car--which some families may consider to be more important. In contrast, other families will choose to pay a very high proportion of their income for housing in order to live in what they consider to be a home of adequate size and condition. Further, in certain immigrant cultures, an extended family unit under one roof may be preferred even if it results in overcrowding. American standards of living

space are often much greater than those of other cultures.

PHYSICAL

One specific aspect of the availability and the distribution of housing that is generally not subject to the influence of public policy is the situation in which elderly persons occupy large single-family homes although their children have long since moved away. There are no feasible means of effectuating a redistribution of such units except through incentives which would make it attractive for small households to voluntarily shift to smaller quarters.

Another facet of overcrowding relates to the physical condition of the housing supply. Overcrowded housing places undue stress on the condition of the units. The correlation between overcrowded units and increased deterioration is high. Maintenance costs for housing are a burden for low-income families, and the accelerated pressures resulting from overcrowding simply amplify the problem. Solutions aimed at upgrading deteriorating housing might require displacement which could result in increased overcrowding.

GOVERNMENTAL

Governmental actions which reduce the housing supply or cause displacement can produce overcrowding. Even when adequate relocation housing is found for displaced households, they may be occupying housing or receiving housing assistance that would otherwise have gone to other needy households which then may be forced into overcrowded conditions. Generally, Oakland's policy is to encourage housing development of all types, sizes, and densities. The obstacles and constraints which act to limit the ability of both the private market and the sponsors of subsidized housing to develop more units affordable to low income persons are discussed in detail in Chapter 8 9.

THE HOUSING NEEDS OF LOW AND MODERATE INCOME FAMILIES

Housing choice is directly related to a family's economic situation. The housing market operates in a manner similar to other markets in which prices are set (in the ideal situation) by an interplay of supply and demand forces. In all markets, such interrelationships result in effectively "pricing out" some persons from the market since they cannot afford to participate. The only problem with such an approach to housing is that housing itself is a basic commodity which no one can do without, even if one cannot effectively compete in an "open" market situation.

As may be expected, households which have the most significant problems in obtaining housing are those at the bottom rung of the economic ladder. Housing for low- and moderate-income persons consists, usually, of the least desirable units on the private market or of units which are provided with some governmental support.

Higher-income groups may also have critical housing needs; however, these groups have a wide range of housing choices and can participate in the market without the constraints common to lower-income households. Most new construction in Oakland -- including both single-family and multi-family housing -- has been built, designed, and priced for the higher-income market. Such housing is not in shortage in Oakland and is not expected to be in the future.

This chapter explores the housing problems of low and moderate-income families in Oakland. The first section establishes the parameters of the problem. The next section, concerning problems and obstacles, deals with factors which hinder solutions to the problem. ~~The remaining sections outline~~ Policies applicable to the situation and actions which could be taken to put the policies into effect *are contained in Chapter 10.*

EXTENT OF PROBLEM

The extent to which housing availability is a problem for low and moderate-income persons can be quantified by several methods. But it is first necessary to establish how many of Oakland's households fall into these categories.

NUMBER OF LOW AND MODERATE-INCOME HOUSEHOLDS

~~For housing analysis purposes in this report, a low-income household has been defined as one which met HUD's income limits of families for Section 8 housing assistance in the Bay Area (up to 80 percent of the area's median).~~

For housing analysis purposes in this report, a low-income household has been defined as one with an annual income of 80 percent or less of the area's median income. The area is the Oakland Primary Metropolitan Statistical Area (Alameda and Contra Costa Counties). Similarly, a moderate-income family has been defined as one with a combined income exceeding Section 8 limits but no higher than 120 percent of the ~~Bay Area's~~ area's median income (see Tables 17 and 17A).

Applying 1980 Census income data to ~~these~~ the limits shown in Table 17 produces the information on low and moderate-income households presented in Table 18. The table shows that in 1980 there were about 66,702 low-income households which accounted for 47 percent of all households in Oakland. (In 1970, only 28 percent [38,946] of all households were low-income.) Of these, 72 percent were rental households, over 50 percent of which were one-person households. Sixty-two percent of all rental households and 27 percent of all owner households were low-income.

There were almost 26,000 moderate-income households in 1980 (twice as many as in 1970), and these constituted 18 percent of total households in Oakland; 62 percent of the moderate-income households rented their units. Twenty percent of all rental households and 16 percent of all owner households were moderate-income. A full 82 percent of all Oakland's rental households and 43 percent of its owner-households fell into either the low or moderate-income categories.

From the above discussion, 65 percent of Oakland's households in 1980 were low or moderate income -- leading one to conclude that 35 percent were high-income households. While this is technically true, it should be noted that, as shown in Table 17, "high-income" for a family of four was an income of only \$24,841 or more.

EXCESSIVE PAYMENTS FOR HOUSING

Having established the number of low and moderate-income families in Oakland, how many have housing problems? A frequently used indicator of the magnitude of inadequacies in the housing supply is the number of households which pay an excessive or unreasonable amount of money for their housing. The current definition of "excessive" payments for housing are those equal to 30 percent or more of annual family income. Using this standard, 33,421 rental

TABLE 17

INCOME LIMITS FOR LOW AND MODERATE-INCOME FAMILIES BY SIZE: OAKLAND 1980

| Number of Persons in Family | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| Very Low Income (Up to 50% of median) | \$ 7,250 | \$ 8,300 | \$ 9,300 | \$10,350 | \$11,200 | \$12,000 | \$12,850 | \$13,650 |
| Low Income (Up to 80% of median) | \$11,600 | \$13,250 | \$14,900 | \$16,550 | \$17,600 | \$18,650 | \$19,650 | \$20,700 |
| Moderate Income (Up to 120% of median) | \$17,400 | \$19,920 | \$22,320 | \$24,840 | \$26,880 | \$28,800 | \$30,840 | \$32,760 |

 SOURCE: HUD

TABLE 17A

INCOME LIMITS FOR LOW AND MODERATE-INCOME FAMILIES BY SIZE: OAKLAND 1990

| Number of Persons in Family | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| Very Low Income (Up to 50% of median) | \$15,750 | \$18,000 | \$20,250 | \$22,500 | \$24,300 | \$26,100 | \$27,900 | \$29,700 |
| Low Income (Up to 80% of median) | \$24,700 | \$28,250 | \$31,750 | \$35,300 | \$37,500 | \$39,700 | \$41,950 | \$44,150 |
| Moderate Income (Up to 120% of median) | \$37,000 | \$42,300 | \$47,600 | \$52,900 | \$56,200 | \$59,500 | \$62,800 | \$66,100 |

SOURCE: HUD

TABLE 18

LOW AND MODERATE-INCOME HOUSEHOLDS BY HOUSEHOLD SIZE: OAKLAND, 1980

| HOUSEHOLD SIZE | TOTAL HOUSEHOLDS | LOW-INCOME | | | MODERATE-INCOME | | |
|----------------|------------------|------------|--------|--------|-----------------|--------|-------|
| | | TOTAL | RENTER | OWNER | TOTAL | RENTER | OWNER |
| TOTAL | 141,657 | 66,702 | 50,526 | 16,176 | 25,984 | 16,156 | 9,828 |
| 1 | 51,802 | 31,690 | 25,603 | 6,087 | 8,309 | 6,526 | 1,783 |
| 2 | 42,329 | 16,363 | 11,017 | 5,346 | 7,223 | 3,960 | 3,263 |
| 3-4 | 34,071 | 13,005 | 10,036 | 2,969 | 7,669 | 4,497 | 3,172 |
| 5+ | 13,455 | 5,644 | 3,870 | 1,774 | 2,783 | 1,173 | 1,610 |

SOURCES: 1980 Census of Population and Housing and Department of City Planning

households in Oakland--42 percent of all rental households for which such computations were made--had excessive rent payments. There were 27,394 households actually paying in excess of 35 percent of their income for rent. Table 19 shows, for all rental households by income, what percentage of income is spent on rent. (The term "gross rent" used in Table 19 includes the contract rent and an estimated average monthly cost of utilities.) It is obvious from this table that as income rises, a smaller percent of income is spent on rent. Starting with the "under \$5,000" income category, in which 71 percent of the rental households (for which such computations were made) paid 35 percent or more of their income on rent, and ending with the "over \$50,000" income category, in which 94 percent of such households spent less than 15 percent of their income on rent, the table shows a fairly predictable relationship between "gross rent as a percentage of income" and "income."

A similar relationship can be seen in Table 20 which relates ownership housing costs (debt service, insurance, and utilities) to income. Over 50 percent of those with incomes less than \$5,000 paid over 35 percent of their incomes for housing. In contrast, 73 percent of those with incomes over \$50,000 paid less than 15 percent of their incomes for housing. (Table 20 includes housing units which are not mortgaged.) Of all owner households, 19 percent (9,985) paid in excess of 30 percent of their income on housing costs. Of this number, 14 percent or 7,416 households paid more than 35 percent of their income for housing.

While a very large number and percentage of Oakland households are overpaying, concern in this chapter is only with low and moderate-income families. It is these families, presumably, who not only pay excessive rents because they can't find adequate housing for less--but who can't afford these higher rents.

Table 21 shows low- and moderate-income rental households who pay more than 30 percent of their income for rent. Almost two-thirds (62 percent) of low-income households experience this problem as opposed to only 11 percent of moderate-income households. Over 50 percent of all low- and moderate-income one-person households make excessive rent payments.

The problem of excessive payments by low-income households appears even more acute when low-income housing assistance programs are taken into account. As Table 21A shows, only 38 percent of low-income households pay less than 30 percent of their income for rent. However, most of these households have affordable rents only because they are in subsidized housing or are receiving rental assistance through the Section 8 program. Thus, only 16 percent of all low-income renter households are able to occupy affordable housing in privately owned, nonassisted housing.

Table 22 provides excessive payment information regarding owner

TABLE 19
RENTAL HOUSEHOLDS BY GROSS RENT AS A PERCENTAGE OF INCOME BY INCOME:
OAKLAND, 1980

| GROSS RENT AS PERCENTAGE OF INCOME | TOTAL | LESS THAN \$ 5,000 | \$ 5,000 TO \$ 9,999 | \$10,000 TO \$12,499 | \$12,500 TO \$14,999 | \$15,000 TO \$19,999 | \$20,000 TO \$24,999 | \$25,000 TO \$34,999 | \$35,000 TO \$49,999 | \$50,000 OR MORE |
|--|--------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------|
| TOTAL RENTER OCCUPIED UNITS | 79,961 | 22,276 | 18,768 | 8,399 | 5,419 | 9,968 | 6,448 | 5,820 | 2,152 | 711 |
| Less than 15 Percent | 13,585 | 91 | 416 | 540 | 646 | 2,575 | 2,962 | 3,914 | 1,755 | 666 |
| 15 To 19 Percent | 10,761 | 307 | 1,219 | 1,165 | 1,241 | 3,414 | 1,952 | 1,167 | 305 | 14 |
| 20 To 24 Percent | 10,309 | 870 | 2,039 | 2,026 | 1,654 | 2,248 | 962 | 458 | 46 | 0 |
| 25 To 29 Percent | 8,359 | 1,364 | 2,596 | 2,044 | 962 | 921 | 303 | 169 | 0 | 0 |
| 30 To 34 Percent | 6,027 | 1,005 | 2,750 | 1,295 | 440 | 393 | 138 | 6 | 0 | 0 |
| 35 To 49 Percent | 10,684 | 3,159 | 5,826 | 1,045 | 329 | 298 | 23 | 4 | 0 | 0 |
| 50 Percent Or More | 16,710 | 12,785 | 3,618 | 218 | 73 | 16 | 0 | 0 | 0 | 0 |
| Not Computed | 3,506 | 2,689 | 304 | 66 | 74 | 103 | 86 | 102 | 49 | 31 |

SOURCE: 1980 Census of Population and Housing

TABLE 20

OWNER HOUSEHOLDS BY HOUSING COSTS AS A PERCENTAGE OF INCOME: OAKLAND, 1980

| | TOTAL | LESS THAN \$5,000 | \$5,000 TO \$9,999 | \$10,000 TO \$12,499 | \$12,500 TO \$14,999 | \$15,000 TO \$19,999 | \$20,000 TO \$24,999 | \$25,000 TO \$34,999 | \$35,000 TO \$49,999 | \$50,000+ |
|--------------------------------|--------|-------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------|
| PERCENT OF HOUSEHOLD INCOME | | | | | | | | | | |
| TOTAL | 51,397 | 4,844 | 6,092 | 3,188 | 2,790 | 6,430 | 6,649 | 10,105 | 7,075 | 4,224 |
| Less than 15 Percent | 24,672 | 210 | 1,924 | 1,246 | 1,253 | 2,840 | 3,500 | 6,034 | 4,561 | 3,104 |
| 15 to 19 Percent | 7,387 | 320 | 916 | 472 | 364 | 1,171 | 1,168 | 1,427 | 1,062 | 487 |
| 20 to 24 Percent | 5,248 | 374 | 638 | 292 | 352 | 922 | 705 | 986 | 679 | 300 |
| 25 to 29 Percent | 3,371 | 415 | 381 | 355 | 226 | 426 | 438 | 633 | 357 | 140 |
| 30 to 34 Percent | 2,569 | 310 | 442 | 225 | 176 | 308 | 306 | 447 | 220 | 135 |
| 35+ Percent | 7,416 | 2,498 | 1,791 | 587 | 419 | 763 | 532 | 578 | 196 | 52 |
| Not Computed | 734 | 717 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 6 |

34B

 SOURCE: 1980 Census of Population and Housing

TABLE 21

LOW AND MODERATE-INCOME RENTAL HOUSEHOLDS
 PAYING 30 PERCENT OR MORE OF INCOME FOR RENT:
 OAKLAND, 1980

| Household Size | Total Number | % All Low/ Moderate-Income Households | Low- Income | % All Low- Income Households | Moderate- Income | % All Moderate- Income Households |
|-------------------|-----------------|---|----------------|------------------------------------|---------------------|--|
| TOTAL | 33,253 | 49.9 | 31,401 | 62.1 | 1,852 | 11.5 |
| 1 | 17,582 | 54.7 | 16,617 | 64.9 | 965 | 14.8 |
| 2 | 7,370 | 49.2 | 6,793 | 61.7 | 577 | 14.6 |
| 3-4 | 6,279 | 43.2 | 6,042 | 60.2 | 237 | 5.3 |
| 5+ | 2,022 | 40.1 | 1,949 | 50.4 | 73 | 6.2 |

SOURCE: Special Tables from HUD based on 1980 Census of Population and Housing

TABLE 21A
 LOW-INCOME RENTERS PAYING MORE AND LESS THAN 30 PERCENT
 OF INCOME FOR HOUSING: OAKLAND, 1980

| | NUMBER | PERCENT |
|--|--------|---------|
| TOTAL LOW-INCOME RENTERS | 50,526 | 100.0 |
| Paying more than 30% of income for housing | 31,401 | 62.1 |
| Paying less than 30% of income for housing | 19,125 | 37.9 |
| In publicly assisted housing | 11,023 | 23.8 |
| In non-assisted housing | 8,102 | 16.0 |

SOURCE: 1980 Census of Population
 Department of City Planning

(NOTE: This table is based on the assumptions that (1) all households in assisted rental housing are low income; and (2) these programs limit tenants rental payments to 30 percent of their income)

TABLE 22

LOW AND MODERATE-INCOME OWNER HOUSEHOLDS PAYING
30 PERCENT OR MORE OF INCOME FOR HOUSING COST:
OAKLAND, 1980

| INCOME | TOTAL | | LOW-INCOME | | MODERATE-INCOME | |
|-----------------------|--------|---|------------|------------------------------------|-----------------|---|
| | Number | % All Low/ Moderate-Income Households | Number | % All Low- Income Households | Number | % All Moderate- Income Households |
| TOTAL | 7,839 | 31.1 | 6,166 | 38.1 | 1,673 | 17.0 |
| Less than \$10,000 | 5,041 | 45.3 | 5,041 | 45.3 | 0 | 0.0 |
| 10,000- 14,999 | 1,407 | 22.9 | 943 | 22.7 | 464 | 23.3 |
| 15,000- 19,999 | 1,071 | 18.1 | 182 | 20.4 | 889 | 17.7 |
| 20,000- 24,999 | 302 | 12.1 | 0 | 0.0 | 302 | 12.1 |
| 25,000- 32,760 | 18 | 5.7 | 0 | 0.0 | 18 | 5.7 |

SOURCE: Special tables from HUD based on 1980 Census of Population and Housing

households. Approximately 38 percent (6,159) of low-income owner households and 30 percent (2,993) of moderate-income owner households pay over 30 percent of their incomes for housing costs. (Data was unavailable to analyze owner households overpaying by household size.)

PROBLEMS AND OBSTACLES

There are numerous problems facing the City of Oakland in its efforts to provide for the housing needs of its low- and moderate-income households. Most of these problems are beyond the City's control. Examples include the level of federal funding for housing assistance and the shortage of affordable housing units in neighboring cities.

The foremost obstacle to the construction of new housing is the increasingly high cost of land. This is an important issue throughout California, but it is a serious problem in the Bay Area. In Oakland, it is hard to find any land for new housing. Very little vacant land remains with appropriate zoning and a location suitable for residential uses. Most of Oakland's vacant residential land is in the hills where environmental constraints make only relatively low-density housing acceptable. (See Table 30 in Chapter 8 & 9 for a summary of vacant land in Oakland.) While some moderate-income, multi-family housing can probably be built in the hill areas, the costs of development are so high there that most new housing will be higher-income, ownership units. In other parts of Oakland, assisted housing must compete for available sites with commercial developments and market-rate condominium apartments. The City has attempted to deal with this problem by making surplus city-owned land available for housing and by subsidizing site purchases. *The Office of Community Development has provided 50 sites totaling well over 250,000 square feet for the development of assisted housing.* However, when public funds must be used to write down sites at costs exceeding \$20,000 per unit, then the limited funds available produce very few units.

~~Of the other components of housing costs, the high interest rates in recent years are the most significant in their negative effect on housing production in general and low and moderate income housing in particular. High interest rates result in fewer new units being constructed. Prospective home buyers drop out of the market because they are unable to qualify for loans. Even government sponsored mortgage revenue bonds (which are one of the few feasible means of long term financing for low to moderate income housing) are a casualty of high interest rates. The interest that must be paid on each bond issue is related to general interest levels; at some point the bond rate will go so high that~~

~~the units financed will no longer be affordable to the target income group. The cost of financing has been one of the primary reasons that so little new rental housing has been produced in the last five to ten years.~~

~~Another major obstacle to providing increased levels of housing assistance is the insufficient level of federal funding. While the state operates a number of housing assistance programs, their funding is limited and the competition is strong. Housing is a low priority at the national level due to the political and economic philosophy of the current administration and efforts to reduce the budget deficit. Some federal programs, such as Section 8 New Construction, have been eliminated; other programs are being funded at reduced levels. Fortunately, Oakland has fared well in national competitions for the new discretionary grants for housing rehabilitation and new construction, but the funding level is still lower than in prior years.~~

Another major obstacle to providing increased levels of housing assistance is the insufficient level of federal funding. While the state operates a number of housing assistance programs, the funding is limited and the competition is strong. During the 1980s, housing became a low priority at the national level due to the political and economic philosophy of the Reagan administration. Some federal programs, such as Section 8 New Construction, have been eliminated; other programs such as the Section 8/202 housing program are being funded at reduced levels. While Oakland fared well in national competition for Housing Development Grants (HDGs), the federal government has eliminated this program as well.

The strong demand for housing in the entire Bay Area and the lack of new construction of affordable units in adjoining cities has important impacts on Oakland's housing. Oakland has historically had lower home prices and lower rents than cities such as San Francisco and Berkeley. High prices and extremely low vacancy rates in those cities are probably encouraging higher-income households to move into Oakland, possibly displacing low and moderate-income households in the process. There is not any data readily available to measure the extent of this trend, but it is an obstacle to increasing and preserving Oakland's low and moderate-income housing stock.

~~EMERGENCY HOUSING FOR THE HOMELESS~~

~~(This problem is now discussed in Chapter 8 and 10.)~~

~~There is an increasing need for emergency housing in the City of Oakland. Due to a variety of social and economic conditions (including the shortage of low and moderate income housing, sustained high unemployment, domestic violence, and high eviction and foreclosure rates) the problem of homelessness is not expected to decrease in the near future. More realistically, the homeless~~

population will probably grow as the stock of affordable housing units for very low-income families is threatened by pressure from downtown business development.

According to the Oakland Municipal Court, approximately 5,360 evictions take place each year, and the Oakland Red Cross estimates an additional 660 people are displaced annually due to fire damage. Public agency activities are also displacing approximately 200 households per year, primarily through code enforcement. The Oakland Housing Authority reports that their waiting list for Section 8 housing certificates numbers 19,000 with an average waiting period of three years.

This situation has created a severe need for shelter which is dominated not by the transient community but by long-term Oakland residents. The homeless population can no longer be solely categorized as alcoholics, street dwellers, and bag ladies. Oakland's homeless population is now increasingly composed of women and children, youths, families, victims of domestic violence, and individuals with long employment histories and employable skills. In addition, the so-called "dumping" from State mental institutions has created a large mentally-disabled homeless population in Oakland.

There are currently only five emergency shelters and two voucher programs in Oakland which provide 124 beds of shelter per night: the Salvation Army and Mission SAFE serve families and individuals; Peniel Mission serves single men; Women's Refuge serves women and children; A Safe Place serves battered women and their children; and Traveler's Aid Society and East Oakland Switchboard provide hotel vouchers. None of these facilities provides services to the emotionally and mentally disabled.

The Emergency Services Network of Alameda County, a voluntary coalition composed of Alameda County's emergency service providers, prepared a Needs Assessment Report in May 1985; it found that: (a) most shelters report their requests for shelter rose 50 percent between 1982 and 1984; (b) close to 500 different people look for shelter in any given week; (c) Oakland's shelters turn away approximately 3,000 men, women, and children each month; and (d) 77 percent of the turnaways are denied services because the shelters are full.

A Mayor's Task Force on Emergency Housing for the Homeless was formed in November 1983 to address the problem of homelessness in Oakland. The Task Force found that existing shelters are not funded adequately to meet the needs of the homeless. In addition, most shelters are faced with reductions in, or elimination of, their present funding sources. The Task Force also found that a severe lack in coordination between emergency service providers is preventing an efficient delivery of existing services to the homeless. There is, in summary, a critical financial need to support

~~current emergency service providers, coordination projects, and the development of new shelter facilities and services.~~

RESIDENTIAL HOTELS

(This subject is also discussed in Chapter 10.)

~~While most residential hotels were originally built for tourists and other transients, these buildings now provide shelter for thousands of elderly, handicapped, and very low income families. Since many of the structures are old, don't meet housing codes, and often occupy valuable downtown land, they are prime targets for demolition or conversion to commercial use. The bulk of Oakland's residential hotel units, (numbering 4,144 according to the 1980 Census) are located in four census tracts comprising the core of the Central District. These tracts have some of the lowest-priced rentals in the City. Their continued existence is threatened by development pressures from downtown office and commercial growth.~~

~~Oakland is now in the process of studying how to protect and preserve the remaining residential hotel stock. One difficulty is developing controls that can be effectively enforced.~~

~~The costs of purchasing and rehabilitating a typical hotel building can be high due to the value of the land and the age and deterioration of many of the buildings. While the State has a rehabilitation loan program for residential hotels (Special User Housing Rehabilitation Program, SUHRP) and HODAG grants can also be used, deep subsidies are necessary to keep the after-rehabilitation rents affordable to low-income tenants. On the other hand, with State and locally controlled funds, the buildings can be renovated without the costly individual bathrooms and kitchens required under the old HUD Section 8 Substantial Rehabilitation guidelines. Renovation of residential hotels is generally very cost-effective compared to the construction of new lower-income housing.~~

The City's housing supply includes a number of older residential hotels which provide shelter for thousands of elderly, disabled, and very-low income households. Many of these hotels are older, deteriorated structures with problems of deferred maintenance and housing code violations. Because these buildings occupy valuable downtown land, they are prime targets for demolition or conversion to commercial use. In other instances, owners may seek to upgrade the hotels to serve the market for commercial hotel rooms.

A study prepared for the Office of Community Development in 1985 identified nearly 2,000 units of residential hotel rooms in the City's Central District. There are a number of additional units located in hotels just outside the Central District as well. These hotels provide, or at least did provide until the earthquake, some of the lowest cost housing in the City, serving a population with few

alternative housing choices in the City's market. Their continued existence is threatened by development pressures from downtown office and commercial growth. An estimated 700 units of the City's supply of residential hotels have already been lost as a result of downtown redevelopment projects, while only 260 units have been replaced with Agency funds.

IMPACT OF THE 1989 EARTHQUAKE ON LOW AND MODERATE INCOME HOUSING
(This subject is also discussed in Chapters 8 and 10.)

The City of Oakland was catastrophically impacted by the Loma Prieta earthquake, which struck the region on October 17, 1989. A substantial portion of the available affordable housing stock was damaged, exacerbating the housing problems of low- and moderate-income households. The need for additional permanent housing affordable to low-income residents has dramatically increased.

The earthquake destroyed or severely damaged more than 1,000 units of rental housing and a substantial number of owner-occupied houses which had been affordable to moderate-, low-, and very low-income persons. It is estimated that approximately 2,500 persons were displaced as a result of the earthquake.

There was major damage to a number of residential structures in and near the Central District of Oakland. In particular, seven residential hotels and four apartment buildings were evacuated and closed. These Central District units were occupied by over 1,600 persons, most of whom are very low income, with little or no resources to fall back on. Although many of these people were provided with emergency assistance by the Red Cross, the assistance was only temporary.

Before the earthquake, it was estimated that homeless persons in Oakland numbered more than 3,000. The increase in the number of homeless persons with little hope of finding affordable housing is estimated to be between 1,000 and 2,000, bringing the total homeless population to roughly between 4,000 and 5,000 persons.

The long-term solutions needed are to repair the residential structures made unsafe by the earthquake, replace with new units those units that cannot feasibly be repaired, and develop additional units of housing affordable to lower-income people.

Based on preliminary inspections conducted by City staff and outside engineering consultants, estimates of the cost of repairing the damaged buildings will require approximately \$50 million to return Oakland's damaged housing stock to pre-earthquake conditions.

Prior to the earthquake, the City of Oakland's Housing Authority

had over 25,000 qualified low-income households on its waiting list for rental housing assistance. Since the earthquake, an additional 669 income-eligible households displaced by the earthquake have applied.

Of the 2,500 persons displaced by the earthquake, approximately 1,100 of them sought assistance from the Red Cross Relief Center operated by Berkeley/Oakland Support Services (BOSS). As of April 1990, BOSS's data indicates that of those 1,100 seeking assistance: 65 percent are male, 35 percent are female, 88 percent are black, 9 percent are white, one percent are Asian, and two percent are Hispanic. There are 11 percent on AFDC, three percent are unemployed, four percent are on disability, 10 percent work and have incomes, 38 percent are on General Assistance, and 22 percent are on SSI. Out of the approximately 1,100 in need of assistance, there are 144 families with a total of 322 children.

In response to the earthquake, the State has implemented the California Natural Disaster Assistance Program (CALDAP) to provide low-interest-rate loans to owners of single family homes (CALDAP-O) and owners of multifamily rental developments (CALDAP-R). No loans were provided in Oakland previous to 1990. Prior to 1991, three loans totalling \$111,400 have been provided to single family homeowners. The City anticipates submitting applications to the CALDAP-R program for the funding of 14 buildings representing a total of 1,456 units. The City works with owners to package their loans and then submits applications to the State on behalf of the owner.

In addition, a lawsuit was settled with FEMA which requires the agency to provide Alameda County with \$11.58 million to provide housing assistance vouchers and other emergency shelter programs. The funds will also be used to rehabilitate vacant buildings, which will provide permanent housing for very low-income persons.

CHAPTER 6

OVERCONCENTRATION OF PUBLICLY-ASSISTED HOUSING

Publicly-assisted (or assisted) housing refers to housing for low and moderate-income households produced primarily through Federal programs administered by HUD. The term also includes any low and moderate-income housing which may in the future receive financial assistance from other levels of government such as the State of California, Alameda County, or any other regional or local governmental body. Only rental housing is included in the discussion of overconcentration although there are ownership assistance programs such as Section 235. ~~However, ownership housing usually doesn't impact a neighborhood in the way that rental housing can.~~

~~This chapter contains three sections which~~ deals with the problems of over-concentration of assisted housing and of restricted housing choices for low and moderate-income families. ~~// The first section~~ presents background information and outlines the extent of the problem. ~~// This section~~ also discusses past efforts undertaken to alleviate the situation, including a study by the City Planning Department dealing with the distribution and location of assisted housing. That study is the basis for ~~the remaining two sections which summarize~~ a system of policies and standards concerning the distribution and location of assisted housing and the programs and strategies which are utilized to implement the policies; *the policies and programs are presented in Chapter 10.*

EXTENT OF PROBLEM

Until 1966, Oakland's assisted housing consisted of 1,422 units clustered in eight projects--all located in six census tracts. These conventional housing projects, all operated by the Oakland Housing Authority, were, for the most part, in West and East Oakland. Currently, there is ~~a total of over 12,000~~ 15,000 assisted rental housing units in the City. Excluding the Existing Section 8 Program for rental assistance to renters of privately-owned housing (whose sites change periodically), all assisted rental units are ~~concentrated~~ *located* in 70 tracts (out of a total of 104 census tracts).

Such ~~an overconcentration~~ *a pattern* restricts housing choice for occupants of these units and, thus, impacts neighborhoods where ~~this~~ concentration occurs. Generally, assisted housing units,

especially public housing units, have been located in areas where there are existing concentrations of low and moderate-income families. ~~and where, following occupancy, large numbers of complaints are heard.~~

~~In Oakland, there is evidence of a strong correlation between the overconcentration of assisted housing units and such problems as overcrowded schools, crime, vandalism, a deteriorating physical environment, and lack of neighborhood pride. All of these problems are symptoms of what is known as neighborhood impaction. The increased numbers of units and people in such areas has exacerbated existing problems or created new ones.~~

This concentration is evident in an examination of Map 1. Assisted units are clustered in long-standing low-income areas. There are relatively few subsidized units above MacArthur Boulevard and around Lake Merritt, both of which are higher-income areas.

Restricted housing choice has traditionally been a problem for low and moderate-income families. The influx of new assisted housing in recent years has, for the most part, not significantly broadened choices in relation to various areas of the City.

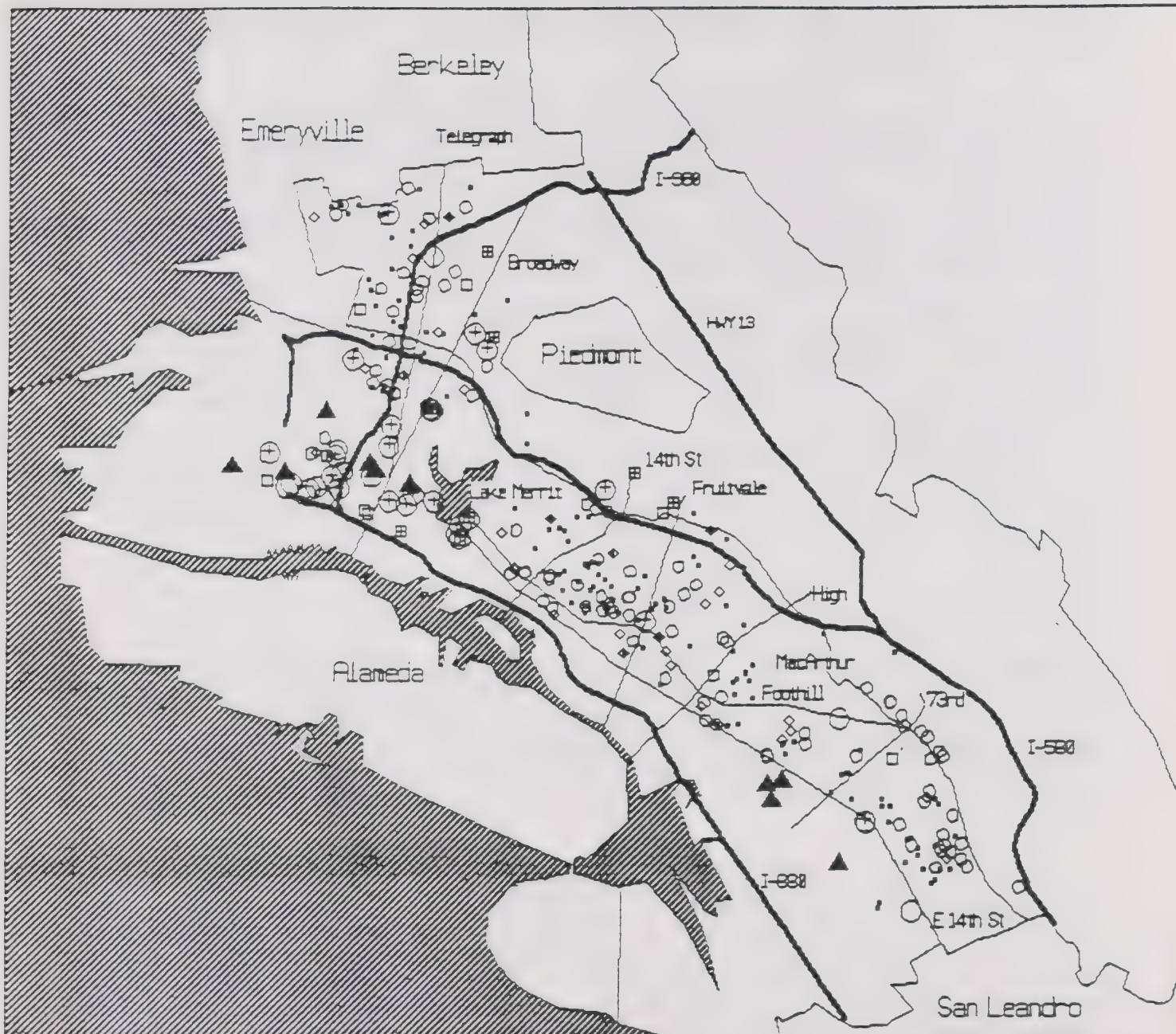
PAST EFFORTS

The need for additional low-income housing in Oakland has long been recognized as one of the City's most pressing problems. However, serious concerns were raised regarding the concentration of the Housing Authority's conventional projects. After passage of the referendum for 2,500 additional assisted housing units in 1966, the voters were promised that new housing would be developed on scattered sites.

To ensure that this new housing program promoted the achievement of broad community objectives while achieving its primary goal of increasing the supply of low-cost housing, the Planning Commission and City Council adopted a set of guidelines for site selection and development. These guidelines set forth broad objectives which the program was to achieve as well as specific criteria to be used in evaluating individual proposals for developing the units. As the HUD-financed "turnkey" program evolved in Oakland, however, many of these guidelines and criteria were bypassed. Although developed on individual sites, the projects were still generally within the same areas. This concentrated pattern of development, as well as the site designs themselves, began to be the source of numerous complaints from neighborhoods--as well as of considerable concern to the City. Supplemental guidelines were adopted in 1970 by the City in an attempt to deal with the emerging problems.

The basic approach of scattered site housing was reconfirmed by the

MAP 1



Publicly Assisted Housing in Oakland 1990

| Units | Sites | |
|-------------|-------|---|
| ▲ 51 to 500 | 49 | ▲ Conventional Public Housing 51+ units |
| ○ 21 to 50 | 17 | ○ Other Publicly Assisted Housing 51+ units |
| ◊ 11 to 20 | 31 | + Elderly Units |
| ◦ 6 to 10 | 93 | |
| • 0 to 5 | 132 | |

| | | |
|---------------------------------|------|-----|
| Conventional Public Housing | 3324 | 262 |
| Other Publicly Assisted Housing | 5811 | 63 |
| Total | 9135 | 325 |

City by the adoption in 1971 of the following policy:

"Housing constructed with subsidies for low and moderate-income families should be equally distributed throughout the City whenever such new construction is economically feasible, will conform to the City's zoning regulations, and will not overly impact the area's schools."

In spite of this policy commitment, there was still concern on the part of both the City and HUD as to the problems associated with the past programs in Oakland. HUD's increased involvement in new moderate-income housing, primarily the FHA 235 and 236 programs, caused it to become concerned with the location of the projects they were funding. This concern was translated into specific site selection criteria which HUD used to evaluate proposals.

The City Council, too, sought a way to cope more effectively with the location of the remaining turnkey units and all future assisted housing. The Council authorized the Planning Department to undertake a study dealing with the distribution and location of new assisted housing in the City. This study resulted in the report, Oakland Publicly Assisted Housing: Distribution and Location.

The basic task of the study was to create a system of policies, standards, and procedures that had the potential of achieving the following objectives.

1. To provide greater choice of housing by increasing the quantity and quality of the locations and types of housing available to low and moderate-income households, consistent with the preferences of the intended occupants.
2. To discourage the concentration of publicly-assisted housing in a few areas in the City.
3. To direct the development of publicly-assisted housing to areas of the City where public services and facilities are available and to discourage such housing development in areas of the City where public services and facilities are either not available or are used beyond their capacities.
4. To avoid the excessive impact of publicly-assisted housing on any given neighborhood by assuring minimum distance between assisted housing locations and by limiting the size of projects.
5. To ensure that publicly-assisted housing developments will be designed to provide a functional, convenient, and attractive environment for its occupants and to fit

harmoniously into its immediate neighborhood.

The policies and standards developed in this study are detailed in the following two sections of this Chapter 10 and Appendix A.

EXISTING PROGRAMS

Federal

~~Review of Applications for Housing Assistance. Under the Housing and Community Development Act of 1974, the City may object to HUD's approval of any assisted housing application on the grounds that the application is inconsistent with the City's Housing Assistance Plan (HAP) as approved by HUD. The annual HAP lists the number of desired units for elderly and family populations and designates future desirable sites or areas for assisted housing. This review applies to all potential subsidized housing in Oakland.~~

State

~~CHFA Local Housing Agent. The State has accepted the publication Oakland Publicly Assisted Housing: Distribution and Location and the policies and standards which are incorporated in this chapter as the state-approved Affirmative Housing Plan. With such a plan, the City filled one of the requirements for designation as a local housing agent by the California Housing Finance Agency (CHFA). In this capacity, the City is authorized to approve or disapprove all applications for CHFA loans for housing developments to be located in Oakland. The grounds for disapproval, among other things, are nonconformance with the City's Housing Element which contains the City's policies and standards for the distribution of assisted housing.~~

City

~~Review and evaluation of Publicly Assisted Housing Proposals. As part of the Federal and State processes, the City evaluates assisted housing proposals in the following general manner. There are actually two types of decisions that should be made for each proposal:~~

- ~~A. Should the proposal be allowed to enter the "pipeline" for further consideration (either by the City, HUD, or both); or because it violates a basic policy or exceeds the limits imposed by a critical standard, should the proposal be denied or~~

~~recommended for denial?~~

~~An assisted housing proposal would have to meet a number of criteria, as listed below, before receiving tentative approval.~~

~~1. Is there a "remaining capacity" in the census tract for the kind and quantity of housing proposed?~~

~~2. If the proposal is for family housing, do the school capacity and concentration ratings of the census tract permit any additional family housing?~~

~~3. If the proposal is for elderly housing in a census tract that also allows family housing, has the "25 percent of remaining capacity or one project" limit been exceeded?~~

~~4. Would the proposal, whether family or elderly, blend in and be compatible with surrounding development as to land use and density, and is it likely to do so in the future?~~

~~5. If the proposal is for elderly housing, does it adequately meet neighborhood locational standards concerning safety and topography?~~

~~6. If the proposal is for family housing, does it adequately meet neighborhood locational standards concerning transportation, private facilities, and community facilities?~~

~~7. If the proposal is for family housing, does it meet block spacing standards?~~

~~8. If the proposal is for family housing, does it meet neighborhood spacing standards?~~

~~9. If the proposal is for turnkey family housing, is it a townhouse-type development and does it exceed the six unit/12 bedroom limit?~~

~~If the proposal is for any other family housing, does it exceed the 50 unit/100 bedroom limit?~~

~~10. According to the preliminary site plan and the preliminary sketch of the building(s), does the proposal adequately meet other project development standards such as design, open space, landscaping, and parking?~~

~~For each criterion, whether "yes" or "no" to the question, the~~

~~reviewing staff would have to look for extenuating circumstances before deciding that a proposal should be rejected or tentatively approved.~~

- ~~— B. If, in the staff's judgment, the proposal should be approved for further consideration, should it be given a high, medium, or low priority rating? i.e., how, even assuming it meets minimum qualifications, does this proposal "stack up," in relative terms, against the City's assisted-housing policies.~~

~~For each tentatively-approved proposal, the staff could first prepare a rating of each of the three different spatial aspects of the proposal: a census tract rating, a neighborhood rating, and a site or project development rating. Based on these three separate ratings, an overall rating could then be made.~~

DISCRIMINATION IN HOUSING

Within the housing field, one of the most sensitive problems to demonstrate, analyze, and correct is discrimination. Discrimination in this context means the denial of complete freedom of choice in the selection of housing due to race, national origin, religion, sex, age, source of income, *arbitrary income criteria*, physical disability, marital status, sexual preference, presence of children, *family size*, Acquired Immune Deficiency Syndrome (AIDS), or AIDS related conditions (ARC).

This chapter is divided into ~~four general areas~~. *two sections*. The first section discusses the extent of segregation and racial discrimination in Oakland by using the discrimination of black persons as prototypical. Following this is a discussion of problems and obstacles *associated with discrimination*. ~~and then a review of the City policies and programs pertaining to housing discrimination~~ The final section ~~deals with existing and proposed programs and strategies~~. *are contained in Chapter 10.*

EXTENT OF PROBLEM

It would be difficult, if not impossible, to tabulate and verify the existence of all categories of housing discrimination. However, the extent to which discriminatory practices and attitudes due to race are prevalent in Oakland's housing market, while difficult to pinpoint, can be approached. If housing discrimination due to race does exist, it will result in segregated living patterns. Segregation can be easily measured, though the results are still not easy to interpret since other factors, such as family income, can also cause segregation. The following discussion and statistics concern only Oakland's black population; it will however serve both as an example of discrimination against the City's largest nonwhite group and of discrimination in general. Illustrating the extent of housing discrimination by using the black population as an example is not in any way meant to underplay the gravity of discriminatory practices against other groups.

In 1980, slightly more than 46 percent of Oakland's total population was black. If the City were totally integrated, each of the City's census tracts would, theoretically, be approximately 46 percent black. To determine the extent of integration and segregation in the City, the black population of each census tract was analyzed according to the black percentage of total tract population. The results show that only 22 percent of the black

population lived in relatively integrated conditions (defined here as between 36 and 56 percent black). Of the remaining 78 percent, 15 percent lived in predominantly white tracts, and 63 percent lived in what could be considered as segregated conditions; 12 percent lived in tracts in which the black population represented more than 90 percent of the tract's population. Similar figures for 1970 when the black population was approximately 34 percent of the total are: 17 percent in integrated tracts, 9 percent in predominantly white tracts, and 72 percent in relatively segregated tracts of which 10 percent lived in almost all-black tracts. Tables 25 and 26 show these distributions in more detail.

This census tract analysis seems to indicate that considerable segregation exists in Oakland even though the situation has improved since 1970. However, a researcher from the University of Wisconsin, in a study included in a report on equal housing,¹ concludes that Oakland is the most integrated city in the country. The survey analyzed cities with black populations greater than 100,000. An index was developed which measured the ratio of the black to nonblack population by City census block. Of the 28 cities in the study, Oakland was found to be least segregated; further, the segregation which exists has declined substantially since 1970.

In an attempt to bridge the gap in population size between the census block and the census tract, an analysis was made of the 1980 Census Neighborhood Statistical Areas. Neighborhood Statistical Areas are locally-defined and traditionally-recognized neighborhoods or subareas. In some instances they are smaller than census tracts and in other instances, larger. There are 111 such defined neighborhoods. The results of this analysis found results similar to the census tract analysis. Only 15 percent of the black population lived in neighborhoods which could be considered integrated. A total of 66 percent lived in neighborhoods which had majorities of black population, and almost 19 percent lived in neighborhoods which were predominantly white.

Segregation, therefore, exists in Oakland; but of more importance are the reasons for the segregation. Generally, racially-based segregated housing patterns result either from voluntary actions or from barriers that deny a group free access to the total housing market because of its race. A third reason for black segregation is that economic segregation (which can operate irrespective of race) particularly affects the black population because it has a much higher rate of poverty and generally lower incomes than the population as a whole. It is not possible, however, to accurately determine the effect of this latter factor.

¹"A Decent Home", Citizens' Commission on Civil Rights, April 1983.

TABLE 25

BLACK POPULATION* BY CENSUS TRACT
CATEGORIZED ACCORDING TO PROPORTION BLACK:
OAKLAND, 1970

| BLACK PER- CENTAGE OF TOTAL TRACT POPULATION | CENSUS TRACTS | | BLACK POPULATION | |
|---|------------------|--------------|---------------------|--------------|
| | NUMBER | PERCENT | NUMBER | PERCENT |
| 0-10 | 27 | 26.0 | 4,025 | 3.3 |
| 11-23 | 13 | 12.5 | 6,816 | 5.6 |
| 24-44 (I.T.)** | 17 | 16.3 | 20,538 | 16.8 |
| 45-55 | 9 | 8.7 | 15,812 | 12.9 |
| 56-90 | 22 | 21.2 | 59,557 | 48.7 |
| Over 90 | 5 | 4.8 | 12,361 | 10.1 |
| Not Available | 11 | 10.6 | 3,192 | 2.6 |
| TOTAL | 104 | 100.0 | 122,301 | 100.0 |

Total Population: 361,561; Percentage Black: 33.8%

*Excludes Spanish Origin

**Defined as Integrated Census Tracts

SOURCE: 1970 Census of Population and Housing

TABLE 26

BLACK POPULATION* BY CENSUS TRACT CATEGORIZED
ACCORDING TO PROPORTION BLACK:
OAKLAND, 1980

| BLACK PER- CENTAGE OF TOTAL TRACT POPULATION | CENSUS TRACTS | | BLACK POPULATION | |
|---|------------------|---------|---------------------|---------|
| | NUMBER | PERCENT | NUMBER | PERCENT |
| 0-10 | 16 | 15.4 | 3,238 | 2.1 |
| 11-25 | 16 | 15.4 | 10,851 | 6.9 |
| 26-35 | 7 | 6.7 | 9,152 | 5.8 |
| 36-56 (I.T.)** | 23 | 22.1 | 35,073 | 22.3 |
| 57-90 | 33 | 31.7 | 80,666 | 51.3 |
| Over 90 | 9 | 8.7 | 18,334 | 11.6 |
| TOTAL | 104 | 100.0 | 157,314 | 100.0 |

Total population: 339,337; Percentage Black: 46.4

*Excluding Spanish Origin

**Defined as Integrated Tracts

SOURCE: 1980 Census of Population and Housing

A major source of information on housing discrimination is Operation Sentinel, established by the Stanford Mid-Peninsula Urban Coalition in 1971. This project serves as a centralized center for allegations of housing discrimination for the Bay Area. Operation Sentinel receives complaints and utilizes checkers from the local area to investigate them. Since January 1982, Operation Sentinel has administered more than 180 cases of housing discrimination based on race in Oakland. Over 80 percent of these cases originated from the Adams Point neighborhood. For the fiscal year 1988/89, Operation Sentinel administered more than 47 cases of housing discrimination based on race in Oakland, with 70 percent of the complainants being black, nine percent white, and one percent Hispanic. Not all persons, of course, are aware of Operation Sentinel nor are most people inclined to follow-up in the event they have a negative experience in seeking housing. It may well be that the reported cases from Oakland are but a fraction of the actual experience of nonwhite persons in the housing market.

~~The State Department of Fair Housing also handles complaints of discrimination. The Oakland office registered over 60 cases of housing discrimination complaints since June of 1983. The majority of these cases were related to race.~~

The State Department of Fair Employment and Housing began handling complaints of housing discrimination in September of 1984. Between fiscal years 1984/85 and 1988/89, approximately 79 cases of housing discrimination, primarily racial, has been reported. Other categories of discrimination in this period include origin, ancestry, children, religion, and sex. (See tables 26A and 26B.)

HOUSING DISCRIMINATION AGAINST FAMILIES WITH CHILDREN

As vacancies drop and rents increase, owners of rental property tend to become more discriminating in the selection of tenants and generally prefer older adults to families with children. In a survey conducted by local community fair housing organizations in 1979, it was found that 56 percent of one-or-more-bedroom apartments surveyed in Oakland refused children, and another 16 percent took children with conditions. As a result, the Oakland City Council passed an ordinance in July, 1980 prohibiting discrimination in housing on the basis of pregnancy or tenancy of a minor child.

The California Supreme Court, in two decisions in 1982 and 1983, extended the protection of the Unruh Civil Rights Act to include discrimination against children in rental apartments and condominiums. Senior citizen housing projects are exempted from these rulings. The State Court's position reinforces Oakland's law which covers all housing. ~~The State Department of Fair Employment and Housing was to begin handling complaints as of September 1, 1984, but its staff funding for this function was deleted from the~~

TABLE 26A

HOUSING DISCRIMINATION COMPLAINTS IN OAKLAND,
ALL CATEGORIES: FY1984-85 THROUGH FY1988-89

| DISCRIMINATION TYPES | FY84-85 | FY85-86 | FY86-87 | FY87-88 | FY88-89 | TOTAL |
|----------------------|---------|---------|---------|---------|---------|-------|
| Race/Color | 12 | 17 | 6 | 15 | 2 | 52 |
| Origin/Ancestry | 3 | 1 | N/A | 2 | 1 | 7 |
| Retaliation | N/A | 2 | N/A | N/A | N/A | 2 |
| Children | N/A | N/A | N/A | 3 | 3 | 6 |
| Religion | 2 | 1 | N/A | 2 | N/A | 5 |
| Sex | 1 | 2 | N/A | 1 | 3 | 7 |

SOURCE: State Department of Fair Employment and Housing

TABLE 26B

HOUSING DISCRIMINATION COMPLAINTS IN OAKLAND
DUE TO RACE/COLOR: FY1984-85 THROUGH FY1988-89

| | FY84-85 | FY85-86 | FY86-87 | FY87-88 | FY88-89 |
|--------------------------|---------|---------|---------|---------|---------|
| TOTAL | 12 | 17 | 6 | 5 | 2 |
| Black | 11 | 15 | 4 | 4 | 2 |
| Caucasian | 1 | 1 | 0 | 0 | 0 |
| Hispanic | 0 | 1 | 0 | 0 | 0 |
| Asian | 0 | 0 | 1 | 0 | 0 |
| Multiple Complainants | 0 | 0 | 1 | 1 | 0 |

SOURCE: State Department of Fair Employment and Housing

~~budget by the Legislature, and legal challenges to the Department's authority to act are further delaying the initiation of enforcement activities.~~

~~Meanwhile, some communities, including Oakland, have used CDBG funds and other local monies to fund nonprofit organizations providing information, counseling, and legal assistance to families suffering from housing discrimination. In Oakland's case, the City funds the Housing Rights for Children Project (BANANAS, Inc.). They (and similar groups) report increasing numbers of complaints in the two years since the Court's decisions. For the 12 months from June 1983 to June 1984, they handled 520 complaints of discrimination against children. Female heads of household--especially lower-income, single parents--seem to suffer more frequently from housing discrimination.~~

Some communities, including Oakland, have used CDBG funds and other local monies to fund nonprofit organizations providing information, counseling, and legal assistance to families with children suffering from housing discrimination. In Oakland's case, the City funds Housing Rights, Inc. which reports that there has been a steady decline of complaints. Discrimination investigations were conducted in fiscal year 1984-85 for 92, in fiscal year 1985-86 for 88, in fiscal year 1986-87 for 92, in fiscal year 1987-88 for 70, and in fiscal year 1988-89 for 54 households. The total of 396 complaints in this five year period was considerably less than the 520 complaints received from June 1983 to June 1984. Nevertheless, despite the decline, female heads of household, especially lower income single parents, seem to suffer quite frequently from housing discrimination.

PROBLEMS AND OBSTACLES

Problems and obstacles related to equal housing opportunity include the housing delivery system and the governmental-legal system.

HOUSING-DELIVERY SYSTEM

The housing-delivery system is a major problem area affecting discrimination in housing. The "system", as referred to here, includes only the financing, sale, rental, and management of housing. Each of these housing-delivery functions has been used as an obstacle to preserve segregated residential patterns.

The financing of housing is a fundamental aspect of one's ability to fully exercise housing choice. Mortgage-lending institutions play a key role in determining housing choice. Lending institutions have in the past utilized the racial characteristics of a neighborhood as well as the "type" of neighborhood as a factor

in evaluating loan applications. In some instances a person applying for a loan has been "prejudged" by the person's race or the type of area in which the person wishes to live rather than by the applicant's behavior or economic condition. Lenders have refused to make loans in certain areas of the community which have been "redlined." These areas usually are considered high-risk areas due to generally large numbers of foreclosures and delinquencies and the loss of property values. Such judgments as to the "loan-ability" of an area generally affect the lower-income population which is predominantly nonwhite. This overall "red-lining" practice has made it quite difficult for certain areas of the community to remain stable. A lack of loans for home improvements, new construction, or the purchase of housing have earmarked many areas for decline. These types of loan-evaluation procedures have resulted in many nonwhite persons being excluded from the possibility of obtaining real estate loans. If the more stringent standards applied to nonwhite applications were generally applied, large portions of the white population would not qualify for loans.

The costs associated with loans are also a source of problems. When loans are made to nonwhite applicants or for property located within "questionable" areas, they are sometimes at higher interest rates, shorter amortization periods, with larger down payments, and at a lower percentage of the property's value than would be the case in "stable" (usually white) areas. These factors, in conjunction with sharply increasing closing costs (title searches, recording fees, escrow fees, title insurance), have also made it difficult for a number of nonwhites to even consider home ownership in any nonsubsidized form.

Construction and permanent lending for low and moderate-income rental housing remains a critical credit need in Oakland and has an important bearing on the housing discrimination issue. In recent years, the new construction and rehabilitation of rental housing affordable to low-income households has been almost the exclusive domain of nonprofit housing developers. These developers of low-cost rental housing have relied heavily on a small number of construction and permanent lenders. These lenders have emerged through their commitment to community lending programs under the Community Reinvestment Act (CRA) and through discounted mortgage funds available from the Community Investment Fund (CIF) of the Federal Home Loan Bank Board of San Francisco.

Several institutions in the Bay Area have made notable commitments to community lending programs under CRA. Each of these agreements resulted in discussions and negotiations with the California Community Reinvestment Committee, an ad hoc coalition of low income housing and community economic development advocates, public agencies, consumer advocates, legal service agencies, and public interest law firms. The City of Oakland, along with other jurisdictions in California, has participated in CRA negotiations

with these lenders.

One noteworthy institution which has been relatively active in the use of CIF monies is the Savings Association Mortgage Company (SAMCO). SAMCO is a volunteer for-profit consortium of approximately 60 thrifts which has advanced roughly \$80 million in loans for low and moderate income multi-family housing projects.

A relatively new program of community lending is under the sponsorship of the Federal Reserve Bank of San Francisco. Named the California Community Reinvestment Corporation (not to be confused with the California Community Reinvestment Committee), the effort is designed to establish a \$100 million revolving loan pool committed by a consortium of commercial banks. Not unlike SAMCO, this loan pool would make investments in low and moderate-income housing projects, developed predominantly by nonprofits, and shared in by participating commercial banks. The success of this effort will depend upon its creation of a secondary mortgage market for its loans.

In February 1989, a consultant study, Community Credit Needs Assessment, sponsored by the Office of Community Development and the Office of Economic Development and Employment, was presented to the Oakland City Council. The study identified a wide range of unmet credit needs for affordable housing (both new construction and rehabilitation), small businesses, minority and non-profit enterprises; identified lender credit practices which may perpetuate the unmet credit needs of segments of the community; and suggested credit practices and policies that may help to meet the credit needs in Oakland.

The results of the community credit needs assessment may lead to two proposed actions. One is a City linked deposit ordinance which would link the deposit and investment of City funds to the positive efforts taken by individual lenders to meet community credit needs. The second is the creation of an Oakland Community Reinvestment Commission comprised of community representatives, lenders, and City officials to review community credit needs and establish credit programs. It is anticipated that both of these implementation measures will come before the Oakland City Council in 1990.

The sale, rental, and management of housing is the remaining portion of the housing-delivery system which needs to be dealt with. Real estate marketing practices which are clearly discriminatory have been outlawed both by Federal and State laws. As a result, some of these practices have been terminated while others have been continued but in a more subtle manner. The monopoly on market information held by the real estate industry is a focal point for the restriction of housing choice. Licensed real estate ~~brokers~~ agents have the capability of both screening and steering prospective buyers. Nonwhite buyers in many instances

have been closely screened as to their financial qualifications prior to being shown homes. Additionally, ~~brokers~~ agents have the capability of "steering" potential nonwhite buyers into specific areas, which, if successful, does not allow the nonwhite household to express its own preferences.

The access to market information is a powerful tool in exercising one's housing choice. Since the law does not require affirmative marketing of individual home sales or rentals, agents are under no outright obligation to inform nonwhites of opportunities throughout the community, thus keeping many areas "closed" to these groups. ~~Each local realty board is required by the California Real Estate Association to have an equal rights committee whose function is to discourage such practices. The Oakland Board of Realty has a committee which functions in a regulatory capacity (dealing with complaints) and also in an educational capacity by informing its members of existing laws and the obligations of the industry. Each local realty board is required by the California Association of Realtors to have an equal opportunities committee whose function is to discourage such practices. The Oakland Association of Realtors has a committee which functions to promote the letter and spirit of the Federal Fair Housing Law in an educational capacity by informing its members of existing laws and the obligations of the industry. One way in which this is done is through the Voluntary Affirmative Marketing Agreement (VAMA). This is a program of voluntary compliance in which realtors and their associates agree to undertake certain activities and initiate programs to acquaint the community with the availability of housing on an equal opportunity basis and ensure equal professional service for all clients and customers.~~

Housing choice seems to be most restrictive by far in the rental market. The general shortage of lower to middle-income rental units often allows housing discrimination to operate under the guise of high demand. A report published ~~more than a decade~~ two decades ago still rings true:

"Where housing is as tight as it is in the Bay Area, discrimination becomes very difficult to prove and easy to practice. If a minority prospect can be held off for as little as four hours, it is usually possible to get a bona fide white tenant signed up in that time."²

In general, apartment managers are responsible for tenant recruitment and selection. These persons are sometimes relatively untrained in management techniques, unsophisticated about fair housing law, and strongly resistant to open occupancy. The practices of asking higher rents and deposits, requiring credit

²Denton, John, Phase I Report to the NCDH/HUD Demonstration Project, San Francisco, 1970-71, pages 40, 41 of preface.

checks, asking for leases and references, using phone evasions, procrastinating, and making erroneous statements as to the availability date of the unit have been utilized to exclude nonwhites from rental units. In addition, the advertising techniques sometimes utilized in the rental market also further these discriminatory practices. Limited advertisements in selected newspapers, use of on-site rental signs, and tenant referrals are tenant recruitment methods which tend to maintain the status quo of the surrounding neighborhood population. The combination of screening techniques, tenant recruitment and selection practices, and insufficient market information all restrain the rental options for nonwhites. And since the management of rental units is an unregulated activity, there is no way to directly control those discriminatory actions that may be practiced by some of its members.

GOVERNMENTAL-LEGAL SYSTEM

The right to equal housing opportunities for all citizens was established in Federal law by Title VIII of the Civil Rights Act of 1968. In California, the Rumford Fair Housing Act deals with housing discrimination at the State level. In spite of the illegality of discriminatory housing practices, the problem persists. One of the major obstacles to the pursuit of equal housing opportunity has been the lack of commitment on the part of responsible governmental agencies.

HUD's function under Title VIII is to receive, investigate, and conciliate complaints of housing discrimination. However, HUD has no authority to order remedies for persons suffering from an illegal discriminatory action. HUD's fair housing office has always been hampered by limited funding and staffing. Their investigatory procedures are time-consuming and have yielded limited results for the persons filing complaints. An additional problem impeding federal actions to implement Title VIII has been the lack of comprehensive administrative regulations to interpret and direct enforcement. Limited regulations were first adopted in 1972. The Carter administration proposed more detailed regulations in 1979, but these were withdrawn by the Reagan administration in 1981.

Individual citizens were given the right of private action in the courts to sue for damages suffered as victims of illegal housing discrimination by Title VIII. However, the prospect of going through a lengthy and costly court action discourages many people from pursuing their rights. In the Bay Area, the local Legal Aid Societies and nonprofit fair housing organizations, such as Operation Sentinel, provide assistance to persons with complaints of housing discrimination in the form of investigative help and referrals to lawyers interested in discrimination cases. This is usually more productive than a complaint to HUD provided that the unit remains on the market long enough for an investigation to be

carried out that will prove discrimination occurred.

Enforcement of the federal fair housing law on a national scale is primarily the responsibility of the Justice Department. The burden rests with them to develop investigations and cases that will have the greatest impact on eliminating housing discrimination. From 1968 to 1980, the Justice Department had some success winning cases involving both overt discriminatory practices and more subtle actions which produced the same effect. These legal actions broadened the application of Title VIII to include suits against local governments that used zoning as an exclusionary tool to produce de facto segregation. The Justice Department has always been hampered by limited staffing for fair housing enforcement. Under the Reagan administration, there has been a dramatic drop in the number of discrimination cases filed. From 1968 to 1980, 20 to 32 cases were filed each year; in 1981 and 1982 only three cases were filed. The Department has also moved away from cases with broad impact--such as those dealing with land use practices or the relationship of housing segregation to school segregation--to those where specific examples of intentional discrimination can be proved.

In its April, 1983 report, the Citizen's Commission on Civil Rights concluded (on page 48) that after over a decade of experience under the fair housing law: "(1) those responsible for administering the law had not fully utilized their authority to eliminate discrimination, and (2) the law itself had serious deficiencies that needed correction through legislative amendment."

At the State level, the administration of fair housing legislation can also be characterized as one of general laxity. The Fair Employment Practices Commission (FEPC) has a dual role. On the one hand, it is charged with the investigation of discrimination in employment practices and, on the other, with the investigation of housing complaints. First priority has been given to employment complaints. The volume of complaints in this area has increased to such an extent that the investigation of housing complaints is becoming difficult. The FEPC estimates that only about eight housing complaints are docketed each month in the San Francisco office. If a case survives the investigatory proceedings, which can extend over a period of months, it must then appear before the seven-man, governor-appointed Commission which ultimately resolves disputes. The settlements to date have not really dealt with the overall pattern of discrimination nor have they been strong enough to deter further discriminatory practices. Clearly, if the agencies which are charged with the administration of existing laws do not exercise their powers fully, it is highly unlikely that the private sector or the populace in general will follow fair housing laws.

The pre-emption aspect of the State Act, as previously discussed, has also presented a problem to municipalities since there has been

no clear legal opinion as to its intent toward municipal involvement in this problem. Most interpretations thus far have been that municipalities cannot enact programs that deal with discrimination because of this pre-emption clause.

The State's role in promoting the concept of equal housing opportunity has been minimal. One area in which the State can take positive action is enforcement of the current law. To date the State's enforcement procedures have not had either the financial or political support necessary to adequately accomplish its intended mission.

At both the Federal and State level, there are numerous regulatory, administrative, and persuasive techniques which could be used to promote equal housing. The basic catalyst necessary for these techniques to be put into use and to be effective is a definite public commitment to the concept that all citizens of the nation have the right to freedom of housing choice. Legislation now declares discrimination illegal; however, a vigorous campaign of enforcement which would indicate that a total commitment to equal housing opportunity is an established national or state goal has not been undertaken.

CHAPTER 8

OAKLAND'S FUTURE HOUSING NEEDS

The Housing Element attempts to present a broad outline of the housing situation in Oakland. ~~Preceding chapters have concentrated on existing problems, such as substandard housing or overcrowding, and have followed a standard format: a description of problems and obstacles, city policies designed to address the problems, and existing and proposed programs designed to implement the policies.~~ This chapter will examine more concretely Oakland's future housing needs. ~~and assess the market and governmental constraints which prevent Oakland's housing needs from being met.~~ Following a brief analysis of Oakland's demographic and economic trends and Oakland's housing needs as determined by the Association of Bay Area Governments (ABAG), this chapter will, accordingly, be divided into the following sections. *analyze the needs of households with special characteristics.*

- ~~— . Special Housing Needs — A summary of the present and future housing needs of the elderly, the handicapped, large families, families with female heads of household, farmworkers, and military personnel.~~
- ~~— . Housing Constraints — An analysis of those market and governmental factors which limit the production of affordable housing in Oakland.~~
- ~~— . Goals, Policies, and Programs — The setting forth of: (1) City housing policies, priorities, and quantified objectives; (2) present and future programs and implementation vehicles, including responsible departments and agencies; and (3) a five-year housing action plan designed to meet identified city needs.~~

DEMOGRAPHIC AND ECONOMIC TRENDS

~~The most detailed interactive analysis of how regional forces are likely to affect Oakland is ABAG's "Projections 83". This report, covering the period from 1980 to the year 2000, gives five-year projections of total population, occupied housing units (or households), employed residents, and employment (by economic segment) for each city and county in the nine-county ABAG jurisdiction. For Oakland, the report projects total population dropping from 339,337 in 1980 to 332,000 in 2000; occupied housing units increasing from 141,657 to 151,260; employed residents increasing from 144,535 to 162,478; and employment in Oakland increasing from~~

~~178,522 to 216,900. Table 27, which contains these changes, shows that total population is projected to decline by 2.16 percent over the 20-year period while the number of households, employed residents, and people working in Oakland will increase by 6.78, 12.41, and 21.50 percent respectively. The ABAG figures also reveal certain relationships concerning these demographic and economic factors. For Oakland over this 20-year period:~~

~~1. The average number of people living in each household will decline from 2.34 to 2.13;~~

~~2. The average number of employed residents in each household will increase from 1.02 to 1.07;~~

~~3. The percentage of the population that is employed will increase from 42.59 to 48.94;~~

~~4. Four times more jobs than households will be added within the City;
and~~

~~5. For each new employed resident, 2.14 new jobs will be created.~~

The most detailed available interactive analysis of how regional forces are likely to affect Oakland is ABAG's "Projections 90". This report, covering the 1980-2005 period, gives five-year projections of total population, occupied housing units (or households), employed residents, and employment (by economic segment) for each city and county in the nine-county ABAG jurisdiction. For Oakland, the report projects total population increasing from 356,200 in 1990 to 370,900 in 2005; occupied housing units increasing from 148,910 to 157,290; employed residents increasing from 163,800 to 184,000; and employment in Oakland increasing from 191,220 to 217,290. Table 27, which contains these changes, shows that total population is projected to increase by 4.12 percent over the 1990-2005 period while the number of households, employed residents, and people working in Oakland will increase by 5.63, 12.33, and 13.63 percent respectively.

The ABAG figures also reveal certain relationships concerning these demographic and economic factors for Oakland over the 1990-2005 period.

1. The average number of people living in each household will decline from 2.33 to 2.29;

2. The average number of employed residents in each household will increase from 1.10 to 1.17

3. The percentage of the population that is employed will increase from 45.99 percent to 49.61 percent.

Table 27

SELECTED STATISTICS FROM "PROJECTION 90"
OAKLAND, 1990 TO 2005 and 1990 TO 1995

| | Change From 1990 to 1995 | | Change From 1990 to 1995 | |
|--------------------------|-----------------------------|---------|-----------------------------|---------|
| | Number | Percent | Number | Percent |
| Total Population | 14,700 | 4.12 | 3,000 | 0.84 |
| Total Households | 8,380 | 5.63 | 2,190 | 1.47 |
| Employed Residents | 20,200 | 12.33 | 11,500 | 7.02 |
| Employment in Oakland | 26,070 | 13.63 | 13,680 | 7.15 |

Source: ABAG, "Projections 90"

4. More than three times more jobs than households will be added within the city; and

5. For each new employed resident, almost one and a third new jobs will be created.

This latter factor will have implications on the in- and out-commute pattern for Oakland which, in 1980, according to the journey-to-work data developed by the Metropolitan Transportation Commission was: 46.73 percent of the people working in SD 18 (a "superdistrict" roughly corresponding to Oakland) lived in SD 18; 58.78 percent of workers living in SD 18 worked in SD 18. This meant that almost 110,000 workers were commuting into the Oakland area each day while more than 67,000 Oaklanders were commuting out.

~~Table 27 also shows projected changes for the 1985-to-1990 period when population will likely increase by 0.29 percent, households by 1.57 percent, employed residents by 2.75 percent, and Oakland employment by 4.88 percent. "Projections 83" figures also indicate that in Oakland over the next five years:~~

~~1. The average number of people living in each household will remain at 2.34;~~

~~2. The average number of employed persons in each household will increase only slightly from 1.03 to 1.04;~~

~~3. The percentage of the population employed will only increase from 42.83 to 43.98;~~

~~4. Almost four times more jobs than households will be added within the City; and~~

~~5. For each new employed resident, 2.19 jobs will be created.~~

~~The 9,000 increase in jobs over the 1985-90 period appears realistic when viewed in relation to the amount of new office space to become available during this period.~~

Table 27 also shows projected changes for the 1990-1995 period when population will likely increase by 0.84 percent, households by 1.47 percent, employed residents by 7.02 percent, and Oakland employment by 7.15 percent. "Projections 90" figures also indicate that in Oakland over the period from 1990-1995:

1. The average number of people living in each household will decrease slightly from 2.33 to 2.32;

2. The average number of employed persons in each household will increase slightly 1.10 to 1.16;

3. The percentage of the population employed will increase from

46.00 to 48.80;

4. Six and a quarter times more jobs than households will be added within the city; and

5. For each new employed resident, 1.19 jobs will be created.

The 13,680 increase in jobs over the 1990-1995 period appears realistic when viewed in relation to the amount of new office and retail space to become available during this period.

The effect of this new office construction on the demand for housing in Oakland is limited by the nature of most of those office functions likely to locate in Oakland. High rents for new commercial office space in San Francisco will force many firms to locate more labor intensive, often clerical, white-collar functions in available space elsewhere in the Bay Area. Oakland is in a position to capture a share of this spill-over effect. As Oakland already has an underutilized supply of labor with skill levels consistent with many of these functions, the demand for new units to house such service workers might be relatively slight, but many other factors will undoubtedly come into play. It is not possible to fully assess the demand for new housing generated by expected job growth in Oakland--or, for that matter, elsewhere in the region--but an imbalance between anticipated job creation and residential development might possibly exist.

OAKLAND AND REGIONAL HOUSING NEEDS

Oakland's housing policies, like those of all localities, have regional as well as local implications. A growing awareness that the policies of many localities were artificially restricting residential development and creating an overconcentration of poor people in certain communities led to State legislation designed to guide and, if necessary, direct local land use decisions. In 1980, the State passed a law requiring every community to have a Housing Element.

The law contains specific guidelines on the content of Housing Elements. It also requires Housing Elements to include a five-year schedule of actions that the local government intends to undertake in an attempt to meet the need for new housing identified by the regional planning agency (in this case ABAG). Where a locality can demonstrate that identified needs exceed available resources, it must establish goals representing "...the maximum number of units that can be constructed, rehabilitated, and conserved over a five-year time frame."

ABAG has prepared a Housing Needs Determination (HND) report for each city and county in the nine-county ABAG area. The HND report

provides a projected 1980-1990 housing need figure projected to 1995 and a distribution of this need by four household-income categories. The categories, all adjusted for household size, are: very low (50 percent or less of median income), low (51-80 percent of median incomes), moderate (81 to 120 percent of median income), and above moderate income (121 percent or more of median income). Table 28 outlines ABAG's projections of the estimated need for additional housing units in Oakland between 1990 and 1995.

~~Since the HND report provides a 1980-1990 needs figure while the State requires a 1985-1990 determination, it was necessary to make certain adjustments. The 1985-1990 housing needs figure was determined by subtracting Oakland's housing production figures for 1980 through 1984 (see tables 32 and 33 and the accompanying discussion contained in the section entitled "Past Performance Levels") from ABAG's 1980-1990 figures. These calculations are shown in Table 28.~~

SPECIAL HOUSING NEEDS

A comprehensive housing strategy should take into account the needs of households with special characteristics whose needs might otherwise be unmet in the marketplace. State law requires that the needs of the elderly, the handicapped, very large families, families with female heads of household, and farmworkers be addressed in the Housing Element. This ~~section~~ chapter discusses the special problems that these groups, and others, encounter in securing adequate housing in Oakland.

EMERGENCY HOUSING FOR THE HOMELESS

The City of Oakland Emergency Housing Program was established in 1984 following the recommendation of the Mayor's Task Force on Emergency Housing for the Homeless. The Task Force's findings identified a variety of interrelated economic and social factors responsible for the existence of the state of homelessness in the City of Oakland. The major causes of homelessness were identified as: 1) the inability to pay rent coupled with the lack of affordable housing units; 2) domestic violence; and 3) the termination of a previous, temporary living situation (e.g., residence in a mental health facility).

According to a 1989 report by Emergency Services Network (ESN), which was funded by the City, no less than 20 percent of Oakland's homeless individuals have been homeless for 12 months, while the majority, 80 percent, have been homeless from one to six months. In addition, ESN reports over the last several years (1986-1989) show a rapid increase in the numbers of homeless seeking shelter in Oakland. Coupled with the impact caused by the 1989 Loma Prieta earthquake, the homeless population growth far outstrips pre-

TABLE 28

ESTIMATED NEED FOR ADDITIONAL HOUSING UNITS
BY HOUSEHOLD INCOME: OAKLAND, 1990-1995

| | 1990-1995 |
|--|-----------|
| TOTAL NET INCREASE IN HOUSING UNITS | 4,349 |
| TOTAL INCREASE IN HOUSING UNITS AFFORDABLE TO LOW AND VERY LOW INCOME HOUSEHOLDS | 2,044 |
| Very Low Income (50 percent or less of Median Income) | 1,305 |
| Low Income (51 to 80 percent) | 739 |
| Moderate Income (81 to 120 percent) | 870 |
| Above Moderate Income (121 percent or more) | 1,435 |

Housing Needs Determination. San Francisco Bay
Region, Association of Bay Area Governments,
January, 1989

earthquake resources and plans for action.

Prior to the October 17, 1989 earthquake, ESN estimated the number of homeless individuals in the City of Oakland at approximately 3,000. The City-funded ESN annual composite and profile report of homeless residents in Oakland indicates for 1989 that 64 percent of persons seeking shelter are single mothers with children; 12 percent are single women; 17 percent are single men; and 7 percent are couples with children.

The pre-earthquake shortage of housing units affordable to low-income persons throughout the Bay Area was well known. Increasing public regulatory actions, such as code enforcement intended to assure decent living conditions, have also resulted in housing units being vacated. In addition, the 1989 earthquake removed more than 1,000 units of housing which had previously been affordable to low- and very low-income persons from the already-inadequate supply. Most of these units were single room occupancy (SRO) units, which were marginally affordable to low-income persons at market prices. That is, they were unsubsidized units. The effect of the earthquake was twofold: first, these units were removed from the supply; second, the cost of the remaining units increased, so that persons previously able to afford this housing were no longer able to do so. Every effort is being made by the City to repair and/or replace these lost units. Cost estimates to do so range between \$20 million and \$60 million. Meanwhile, emergency shelters are strained to capacity and beyond. Existing emergency shelter beds are filled as soon as they are available, with every shelter reporting that numerous homeless persons are turned away on a daily basis.

There is a critical immediate need for additional Section 8 vouchers and certificates. The current breakdown of applications is as follows:

| | |
|----------------|-----|
| Studio units | 289 |
| One bedrooms | 22 |
| Two bedrooms | 245 |
| Three bedrooms | 85 |
| Four bedrooms | 21 |
| Five bedrooms | 7 |

The Oakland Housing Authority received 130 additional Section 8 vouchers as a result of the need created by the earthquake. Vouchers have not been awarded to all of the eligible earthquake displaced. They were not nearly enough to meet the needs of those displaced. For fiscal year 1990-91, the City, through OCD, provided Travelers Aid Society (TAS) with 2,414 vouchers, Project Outreach with 798, and East Oakland Switchboard with 1,300 for a total of 4,512 vouchers. All should be issued by mid-1991.

THE ELDERLY

Elderly citizens often face in the market a lack of housing suitable for their particular needs. Older citizens often require more compact and efficient units than are generally available. Moreover, many elderly citizens must rely on public transportation systems if their units are not readily within walking distance of local services. Residences which maximize personal security are not only desirable, but an essential component of adequate housing for them.

The 1980 Census indicated that the number of Oakland residents aged 65 or over was ~~totals~~ 44,795, 13.2 percent of the population, the same percent as in 1970. Between 1970 and 1980, the black elderly population increased by more than 66 percent. The total nonwhite elderly population in 1980 was 16,387 of which the majority (72 percent) was black.

The elderly population in Oakland generally has less income (and, thus, less ability to pay for its housing) than the population as a whole. The 1979 median income for all owner-occupied housing units was \$21,320. But the median income for married-couple families 65 years and older was only \$16,033; for 65 year-and-older male householders with no wife present, it was \$10,192; and for 65 year-and-older female householders with no husband present, it was a very low \$7,210. Corresponding median income figures for elderly rental-occupied housing units (median income for all rental-occupied housing units was \$9,730) were: married couple--\$10,467; male householder--\$5,343; and female householder--\$4,826. Almost thirteen percent of elderly householders are were below the poverty level.

THE HANDICAPPED

Approximately 31,388 (one out of ten) Oakland residents aged 16-64 are currently limited in the performance of major life activities by enduring physical or mental disabilities, according to the State Department of Rehabilitation's California Disability Survey.

Over 40 percent of Oakland's disabled are estimated to be minorities: approximately 20 percent are Hispanic, eight percent are black, five percent are Asian, and seven percent are other minorities. Most disabled persons (64.1 percent) live in households with two to four members, and 22.5 percent live in large family households with five or more persons; of these family households, a high percentage (26.7 percent) are female-headed households. The remaining disabled persons (13.5 percent) live alone. The majority of the disabled live in low- or moderate-income households.

A large percentage of disabled persons have special architectural

needs. An estimated 40 percent of California's disabled population have mobility limitations in using stairs and inclines and in walking. This percentage, if applied to Oakland would mean that 12,555 residents have problems gaining entry to buildings (and therefore services and resources in these structures) that are not constructed in a manner that make them easily accessible to the disabled. Oakland, like most cities, has a shortage of residential buildings with exterior accessibility and modified living quarters for handicapped, mobility-limited persons. *According to Access California, a unit within the City of Oakland's Office of Community Development, the cost of converting pre-existing units to complete accessibility is estimated at \$15,000 per unit. However, for new construction projects, the additional cost necessary to make the units accessible is only approximately one-half to one percent of the total construction cost.*

~~There are two programs to alleviate the housing crisis for Oakland's disabled: the Tenant Access Program (TAP) and the Accessible Ground Level Apartment Program. TAP was initiated and is operated jointly by Access California (City of Oakland Social Services) and the Office of Community Development; the second is operated by Central Realty. These programs are designed to increase the accessibility of residential property to disabled tenants by retrofitting existing structures and by converting ground level garages and other storage areas into additional one and two bedroom apartments.~~

LARGE FAMILIES

Oakland has focused much attention on the difficult task of providing adequate housing for the large-sized families that live in the City. According to the 1980 Census, Oakland had a total of 5,830 renter and 7,625 owner households with five or more persons. Of these 13,455 large families, 2,914--or 21.65 percent--had 1979 incomes below the poverty level. Oakland's ~~1982-85~~ 1988-91 HAP identifies ~~1,949~~ 1,967 large families as needing rental assistance subsidies. Eighty-five percent of these are very low income.

Large families face a particularly difficult time securing adequate housing. Most large families in Oakland are ethnic minorities (82 percent in 1980) and are often of low or moderate income. Such families, therefore, often confront both racial bias and landlord discrimination against children. ~~In addition, an inadequate number of multi-family rental units with three or more bedrooms are available in the market place.~~ *Additionally, many families confronting discrimination are single-parent families whose income is significantly lower than that of two-parent households. This problem is exacerbated by an inadequate number of affordable multi-family rental units with three or more bedrooms.*

The City has had difficulties meeting its goals for providing housing assistance to large families. Since 1976, there have been

only 54 62 subsidized rental units developed for large families, but more than 200 families are on the Housing Authority's waiting list for large-sized units. It has also proven difficult to utilize the Housing Authority's allocation of Existing Section 8 and Moderate Rehabilitation Section 8 contract authority targeted for large families due to the insufficient allowable rent levels that are built into these programs.

FAMILIES WITH A FEMALE SINGLE PARENT HEAD-OF-HOUSEHOLD

As of 1980, according to the Census, Oakland had a total of 22,938 two-or-more person households headed by women. Most families with female heads have lower incomes and may be rejected as potential tenants due to landlord fear of property damage caused by unsupervised children. There are 7,615 female heads of households with their children living with them whose incomes in 1979 were below the poverty line. Such families therefore suffer many of the same problems in securing adequate housing as large families.

FARMWORKERS

Few migratory farmworkers are housed, even seasonally, within Oakland. Oakland is too far from significant agricultural areas to serve as a residential base for such workers who, by the nature of their employment, tend to live within close proximity to their jobs.

MILITARY PERSONNEL EMPLOYED IN THE OAKLAND AREA

~~In March, 1984, a report entitled "Special Study on Family Housing Needs in the San Francisco Bay Area" was completed by the Urban Housing Institute under contract with ABAG and the Department of the Navy. The study reviews current military housing policy, current and projected needs, legislative restrictions, and funding sources for housing subsidies.~~

~~The study concludes that military personnel, especially those in the lower pay grades, face serious housing problems in the Bay Area. There are currently 3,446 military owned housing units in the Bay Area, providing about 50 percent of the total military housing needed. There is a waiting list of almost 1,000 families for these units. The Navy (the area's principal military employer) is planning to double the number of ships home ported here; this will double the shortage of military housing from 2,500 to 5,000 by 1987. Most military personnel must find their housing off base in the private market. The lowest pay grades (E 1-3) are not eligible for on base housing at all. They earn \$10,836-\$13,582 per year, including their housing allowances, and their households qualify as~~

~~very low to low income, depending on family size. These families generally rent in the lower-rent neighborhoods of either Oakland or other communities with long commute distances.~~

~~A technical advisory group of housing professionals was formed to implement the study's recommendations which include:~~

~~1. Developing housing on military-owned land; a six-acre site at Oak Knoll Naval Hospital in Oakland is under consideration.~~

~~2. Contracting with local Housing Authorities to set up a fund for minor rehabilitation of vacant, Authority-owned units which will then be rented to lower-paid military families. This program is being implemented by the Oakland Housing Authority.~~

~~3. Using the Military Construction Authorization Act of 1984 (Milcon) to contract with private developers to build 300 units of rental housing for military occupancy.~~

There are approximately 4,000 military-owned housing units in the Bay Area, providing about 50 percent of total military housing needs. The waiting list for military housing ranges from 300-1,000 families, depending upon the porting of ships. Most military personnel must find their housing off base in the private market. The lowest pay grades (E1-3) are not eligible for on-base housing at all. They earn \$11,376-\$14,188 per year, including their housing allowances, and their households qualify as very low- to low-income, depending on family size. The only known military housing project in the Oakland area is a 300-unit apartment complex in Alameda with construction to be completed in the summer of 1991.

~~HOUSING ASSISTANCE PLAN (HAP)~~

~~The HAP is required by the federal government as part of the City's Community Development Block Grant (CDBG) application. It is also considered an official part of this Housing Element. It contains a summary of housing conditions, needs of lower-income households (see Table 29), and goals over a three-year period for housing units and households that will receive assistance. The federal government uses the City's HAP as the basis for decisions allocating federal housing subsidies such as Section 8 existing rental assistance contracts and Section 202 new construction for the elderly. Federal subsidies are also allocated between elderly, small family, and large family housing based on the proportionality of need as shown in the HAP.~~

CONSTRAINTS ON THE PRODUCTION OF HOUSING

The ability of Oakland to meet the need for new units is increasingly restricted by market forces, neighborhood resistance, and governmental decisions outside of the City's control. This ~~section~~ *chapter* analyzes these factors and their effect on the production of market rate and below-market rate housing.

MARKET CONSTRAINTS

Primary factors include: (1) construction and financing costs, (2) the price and availability of developable land, and (3) the level of effective demand and ability to pay for rental and ownership units. Discussion of cost and land availability considerations will precede an analysis of the adequacy of Oakland household incomes to generate an effective demand for new housing.

Construction Costs

~~Nationwide comparisons performed by Building Standards Monthly rank the San Francisco Bay Area third only to Alaska and Hawaii in cost of construction. The cost of construction wood-framed housing in the Bay Area rose by 169 percent between 1975 and 1980 with lumber, concrete, and labor constituting the most rapidly rising components. Between 1980 and 1984, construction costs had moderated substantially with single-family wood-framed houses increasing an average of 49 percent. This increase was higher than the rise in the Consumer Price Index over the same time period. By early 1985, the rate of single-family homes ranged from \$42 per square foot for "average" construction to \$58 per square foot for "good" construction. Total construction costs, therefore, ranged between \$42,000 for a modest 1,000 square foot home to as high as \$58,000 for a larger luxury model, exclusive of land costs. The median cost to construct individual apartments and condominiums in one to three-story wood-frame structures was \$35,900 in 1985.~~

~~Construction cost increases for steel and concrete multi-family buildings were not quite as high as those for single-family dwellings. Costs ranged from approximately \$51-\$56 per square foot in 1980 to \$72-\$77 per square foot in 1984. Per-unit costs for 1,000-square-foot units, therefore, averaged about \$74,000 in 1984; this generally precluded all but luxury units from being developed in high-rise structures.~~

The cost of constructing wood-frame housing in the Bay Area nearly doubled between 1980 and 1990. Between 1984 and 1990, the increase in the construction cost was roughly 41 percent. In spring 1990, the cost of construction of single-family wood-frame homes ranged from \$60 per square foot for "average" construction (tile baths and kitchens) to \$80 per square foot for homes with more amenities. Total construction costs, therefore, ranged from \$60,000 for a modest 1,000 square foot home to as high as \$80,000 for a luxury model, exclusive of land costs, financing costs, and other development costs.

Construction costs for steel and concrete multi-family buildings have not increased as rapidly. Prices ranged from approximately \$51 - \$56 per square foot in 1980 to \$72 - \$77 in 1984 to \$75 - \$80 in 1990. Per-unit construction costs for 800-square-foot units, therefore, averaged about \$62,000 in 1990.

Financing Costs

~~High interest rates in the early 1980's have played a critical role in making housing unaffordable to many households. Financing terms have not only made homeownership impossible for all but a small percentage of prospective first-time buyers, but they have served to drastically curtail the development of alternative rental housing. Moreover, high land and construction financing costs have made the housing development business inherently more risky. Developers, in turn, need to realize higher financial returns to justify associated risks. Higher required profits push up eventual prices in the same manner as do higher costs.~~

~~The effect of the rising cost of financing on affordability is clearly demonstrated below by showing how monthly mortgage debt service payments on a 30-year \$88,000 loan (on a house priced at \$110,000 with 20 percent down) increases with higher interest rates.~~

| Interest | Income | Monthly Payment |
|---------------------|---------------------|-----------------------------------|
| ***Rate | Required | (Principal + Interest) |
| 10% | \$39,000 | \$ 772 |
| 11 | 42,300 | 838 |
| 12 | 45,000 | 905 |
| 12.5 | 46,000 | 939 |
| 13 | 47,800 | 973 |
| 14 | 50,000 | 1,043 |
| 15 | 53,300 | 1,113 |
| 16 | 56,100 | 1,183 |
| 17 | 59,000 | 1,255 |

~~Source: S.F. Chronicle, July, 1983~~

~~The current median family income in Oakland is estimated to be \$27,200. This is far less than the \$50,000 required to finance the purchase of a modestly-priced used home at the current fixed interest rates of about 14 percent. Only 16 percent of Oakland's families could afford to buy a home in this price range at today's interest rate. Even if a family has the \$22,000 down payment and can afford the monthly loan payments of \$1,043 on this hypothetical \$110,000 house, it is still difficult to locate a home for that price. While Oakland is the most affordable community in Alameda County, homes under \$110,000 are often old, run-down, or poorly located. The average selling price of an existing single family home as of July, 1984 was \$156,164.~~

The effect on affordability of the interaction between higher home prices and the cost of financing is clearly demonstrated below by showing how monthly mortgage debt service payments on a 30-year \$144,000 loan (on a house priced at \$180,000 with a 20 percent downpayment) increase with higher interest rates. As can be seen in the following chart, monthly payment rises by about \$100/month for every one point increase in interest rates.

| <u>Interest</u> | <u>Income</u> | <u>Monthly Payment</u> |
|-----------------|-----------------|-----------------------------------|
| <u>Rate(%)</u> | <u>Required</u> | <u>(Principal & Interest)</u> |
| 7.00 | \$45,986 | 958 |
| 8.00 | 50,718 | 1,057 |
| 9.00 | 55,616 | 1,159 |
| 9.50 | 58,120 | 1,211 |
| 10.00 | 60,658 | 1,264 |
| 10.50 | 63,227 | 1,317 |
| 11.00 | 65,825 | 1,371 |
| 11.50 | 68,449 | 1,426 |
| 12.00 | 71,098 | 1,481 |
| 13.00 | 76,461 | 1,593 |

The current median income in Oakland is estimated to be \$37,500.³ This is far less than the \$60,000 required to finance the purchase of a modestly-priced used home at the current fixed interest rate of about 10 percent. This means that a modestly-priced home is affordable only to households with incomes in excess of 160 percent of the median family income for Oakland. Even if a family has savings of roughly \$40,000 for the downpayment and closing costs,

³Assumes Oakland median income for a family of four is 85 percent (Oakland's percent of Bay Area median income in 1979) of the East Bay median income of \$44,100 (1980 census data and HUD, February 1990).

and can afford the monthly mortgage payment of \$1,264 for this hypothetical \$180,000 house, it is still difficult to locate a home for that price. The median selling price for a home in July 1989 was in excess of \$200,000 (the median price for the Bay Area in mid-1989 was reported to be \$260,000).

~~Housing sales have been supported, during the last four years, by buyers using Adjustable Rate Mortgages (ARM). These loans have allowed many buyers to qualify for mortgages during this period of high fixed-interest rates. Over 50 percent of newly-issued mortgage loans is now an ARM. Since the average initial rate of an ARM is about two percent below the interest rate of the average fixed-rate mortgage, many more buyers can qualify for the ARM loan. Under ARM financing, the buyer assumes some of the risk of rising interest rates. Generally, his risk is limited by annual and lifetime interest rate caps. However, there are problems with ARM financing. One is the confusing array of loans with varying initial rates, caps, frequency of adjustment, and different indexes. Even a very knowledgeable buyer has trouble making a comparison between the available loan packages, and many buyers don't understand how much and when their loan payments can increase. Another problem with an ARM is that the buyer's income may not increase as fast as the loan payments in a period of rapidly increasing interest rates. It has become popular for new home developers to "buy-down" the interest rate of the first three to five years of the loan. There is concern that these deeply-discounted home mortgages may result in a high rate of foreclosure should the buyers be unable to handle the drastically higher payments several years into the loan. The worst of these loans include a negative amortization feature in the early years of the loan which results in the buyer's equity actually declining.~~

~~Despite these drawbacks, ARM seem to be steadily gaining acceptance and should continue to do so unless fixed rates for 30-year loans drop to 12 percent or less. The secondary mortgage market organizations (such as Fannie Mae, FHA, and the mortgage insurance industry) are all trying to encourage standardization of the ARM loans. However, even ARM loans still do not help the moderate-income homebuyer who has been priced out of the traditional home financing market. Publicly-subsidized home mortgage loans are the only financing opportunity for the moderate-income homebuyer.~~

Lenders are experimenting with a variety of techniques, such as Adjustable Rate Mortgages (ARM), to reduce interest rates. While this may help in reducing the cost of financing the purchase of a home for some segments of the population, these programs and similar ones still do not give lower income households the opportunity for homeownership. Lender requirements of 10 percent downpayment and closing costs of 2 1/2 to 3 percent of the loan amount are significant factors in making the purchase of housing prohibitive for many of Oakland's residents.

Mortgage funds for new market-rate apartment construction have also become increasingly scarce. This is, in part, because rent levels have failed to keep pace with total project development and operating costs and, in part, because of the increasing politicization of rental housing issues. Potential lenders are no longer confident that project owners will retain control over the future operation and disposition of new development and are therefore reluctant to enter the market. Prevailing terms for the most attractive proposals often entail lender "participation" in which 25 percent of all future rent increases accrue to the lender in exchange for a marginally-discounted interest rate. Aggressive lending policies of this type make it extremely difficult for investors to realize required yields and serve to restrict the rate of new development.

Many Oakland neighborhoods are denied access to credit under any financing terms by all but a few lenders. This is a particular problem for Oakland property owners who must periodically renovate their holdings if they are to maintain the value and quality of their investment. Despite the efforts of the City of Oakland to make a wide variety of rehabilitation programs available, an overwhelming need remains for ready access to funding from conventional lending institutions. While federal laws, such as the Home Mortgage Disclosure Act and the Community Reinvestment Act of 1977, allow public access to information on certain aspects of the past and present lending practices of financial institutions, the actual allocation of credit has not been legislated. Inadequate access to credit is, unfortunately, likely to plague many Oakland neighborhoods for years to come. *Starting January 1, 1991, financial institutions are required to disclose information on lending practices; this will allow better monitoring of their lending activities. The City has obtained this information and has made it available to the public.*

Supply of Land in Oakland

Oakland is a built-up central city. Most of Oakland's future housing development, especially multi-family projects, will occur on land that already has buildings. *The development of underutilized parcels is important because the City does not have adequate vacant land to meet Oakland's housing needs.* But there is some vacant land in Oakland as the information in this section demonstrates.

The first source of vacant land information is a map of vacant parcels of land over 30,000 square feet that was developed in conjunction with the City's Land Use Element. Acreage, zoning, housing unit potential, and infrastructure information for this land has been determined. Table 30 summarizes this information for residentially-zoned vacant parcels. (See "Oakland Zoning Summary," Appendix C, for an overview of each residential zone including permitted density.) In viewing the table, it should be remembered

TABLE 30

INVENTORY OF LARGE RESIDENTIALLY-ZONED VACANT PARCELS
IN OAKLAND

| EXISTING ZONING | WITH SEWER AND WATER | | MISSING SEWER OR WATER | | MISSING BOTH SEWER AND WATER | | TOTAL | |
|--|-------------------------|-------|---------------------------|-------|---------------------------------|-------|---------|-------|
| | ACRES | UNITS | ACRES | UNITS | ACRES | UNITS | ACRES | UNITS |
| Suburban (R-10 or R-20) ¹ | 201.5 | 372 | 152.2 | 333 | 67.0 | 261 | 420.7 | 966 |
| Low-Density (R-30) ² | 507.0 | 1,911 | 541.3 | 1,445 | 11.0 | 32 | 1,059.3 | 3,388 |
| Multi-Family Medium-High Density Residential Zones ³ | 32.5 | 307 | - | - | - | - | 32.5 | 307 |
| TOTAL | 741.0 | 2,590 | 693.5 | 1,778 | 78.0 | 293 | 1,512.5 | 4,661 |

SOURCE: OAKLAND CITY PLANNING DEPARTMENT

(1) Density: 12,000 to 25,000 sq. ft. per unit.

(2) Density: 5,000 sq. ft. per unit.

(3) Density: 450 to 1,500 sq. ft. per unit.

that multi-family development is possible within planned unit developments in the R-30 single-family zone. Although the City has approved P.U.D. proposals involving multi-family units in the R-30 Zone, none have been constructed. Approved sites were subsequently redesigned for conventional single-family townhouses. However, *Oakwood Estates and Town Square II* are two P.U.D. projects which are projected to start construction in 1991.

Another source of data is a list compiled by the City's Office of Community Development; it contains ~~information regarding about 29 undeveloped or underdeveloped sites~~ having a potential for single family and/or multi-family development. A summary of the list is presented in Tables 30A and 30B. The tables present information regarding OCD-administered land and OCD-administered land designated for development through the Request-For-Proposal process. OCD, as the lead agency for affordable housing development activities, provides the significant majority of City-owned land to developers for assisted housing projects. Subtracting two parcels which are included on the vacant land table resulted in a total land area of 18.04 acres. The maximum number of units that could be built on these parcels with present zoning is 1,242 units. All but four of these sites are zoned for higher density residential development; they are all, however, suitable for assisted rental elderly or family housing under the City's assisted housing policies. OCD continually updates this list and makes it available to housing developers.

Land With Potential For Housing In The Central District: There is a significant potential for multi-family residential development in the City's downtown, especially in its redevelopment project areas. The City Council has approved a concept plan for the Chinatown Redevelopment Project which contains from 250-500 housing units of which 20 percent must be for lower income households. The Council has also required that 600 housing units be built within the City Center Redevelopment Project. Twenty percent of the housing is to be affordable by low and moderate income households. The City has also set aside \$3 million of tax increment funds to help build 300 units of lower income replacement housing outside of the City Center Project. Assisted housing has also been constructed on sites provided by the City in the nearby Peralta project areas.

The Central District Housing Program, a consultant study sponsored by the Office of Community Development, is currently underway. One of its tasks is to locate and evaluate housing sites in the Central District. A housing market analysis is also being done to determine the appropriate types, sizes, and price levels for downtown housing. Strategies for developing lower income housing at each site will be proposed. The Central District Development Program (CDDP), a consultant study also currently underway, will include an overall strategy for developing housing in the Central District.

TABLE 30A

PROPERTIES ADMINISTERED BY THE OFFICE OF COMMUNITY DEVELOPMENT:

| ZONING ----- | NUMBER OF PROPERTIES ----- | TOTAL SQUARE FOOTAGE ----- |
|-----------------|----------------------------------|----------------------------------|
| R-30 | 11 | 58,696 |
| R-40 | 11 | 48,727 * |
| R-50 | 6 | 15,515 * |
| R-60 | 3 | 17,500 |
| R-70 | 4 | 55,000 |
| C-10 | 2 | Not Available |
| C-30 | 1 | 17,400 |
| C-35 | 1 | Not Available |
| C-40 | 2 | 7310 |
| C-51 | 1 | 5,625 |
| C-55 | 3 | 16,675 * |
| M-20 | 1 | Not Available |
| S-2/S-4 | 4 | 7,500 |
| ----- | ----- | ----- |
| TOTAL | 50 | 249,948 |

* The square footage indicated does not include the square footage area of some of the properties for which information is not available.

Source: Office of Community Development

TABLE 30B

PROPERTIES OWNED BY THE CITY TO BE DEVELOPED THROUGH REQUESTS FOR PROPOSAL

| ZONING | NUMBER OF PROPERTIES | SQUARE FOOTAGE |
|--------|-------------------------|----------------|
| R-30 | 18 | 47,444 * |
| R-40 | 9 | 29,920 |
| R-50 | 8 | 27,330 |
| TOTAL | 35 | 104,694 |

* The square footage indicated does not include the square footage area of nine properties for which information is not available.

Source: Office of Community Development

Land With Potential For Housing In The Central District. There is a significant potential for multi-family residential development in the City's downtown, especially in its redevelopment project area. The Chinatown Redevelopment Project will contain 250 housing units, of which 50 units will be rental units affordable to low-income households. Two hundred units will be market-rate condominiums. It is expected that the housing will be completed in 1993.

The Central District Housing Program, a study sponsored by the Office of Community Development, was completed in 1985. It located and evaluated housing sites in the Central District. A housing market analysis was also conducted to determine the appropriate types, sizes, and price levels for downtown housing. Strategies for developing lower-income housing at each site were proposed. In 1988, the Central District Development Program (CDDP), a consultant study was completed. It reiterated the recommendations of the Central District Housing Program. The City Council has not yet taken action on the recommendations of these studies.

Other Publicly-Owned Land With a Potential For Housing: OCD's list of potential housing sites includes two important vacant parcels owned by the City--the King Estate and the Grove Street Campus. Several City departments are currently involved in studies of these sites. The King Estate, originally acquired for park and open space purposes, has 18 acres of land. It adjoins 58 acres of vacant land owned by the Trust for Public Lands (TPL). The City is working closely with TPL to determine the best uses for the whole site. Steep slopes, soil instability, and difficult access are the major development constraints which influence the quantity and placement of housing as well as recreation and open space uses on the site. The site represents a unique opportunity for a sizable market-rate and moderate-income ownership development of 200 to 450 units.

The Grove Street Campus was purchased from the junior college district by the City with CDBG funds. The North Oakland community has taken a leadership role in planning for the re-use of the facility which contains 8.8 acres. On July 31, 1984, the Council gave North Oakland Trico (a community-based development company) exclusive rights to proceed with detailed development plans. Their preliminary proposal includes a community theater, retail uses, recreation space, and 100-150 units of market-rate and subsidized housing.

Other Publicly-Owned Land With a Potential For Housing: OCD's list of potential housing sites includes an important vacant parcel owned by the City--the Martin Luther King, Jr. Way/Merritt College Campus.

The Martin Luther King Jr. Way/Merritt College Campus site was purchased from the Junior College District by the City with CDBG funds. The North Oakland community has taken a leadership role in

planning for the re-use of the facility which contains 8.8 acres. Currently, the Office of Economic Development and Employment (OEDE) is in "good faith" negotiations with North Oakland Redevelopment Associates. The preliminary plans call for a mixed use development that will consist of retail space, office space, community center, day care center, and a modest number of housing units.

Negotiations are taking place between the City and the Oakland Unified School District for the City's purchase of the Clawson School site. Preliminary plans call for the development of 125 units of multi-family housing, 40 percent of which will be affordable to low-income households.

The City sold the land to the developer of Victorian Village, a 56-unit homeownership project for first-time homebuyers. The developer is Project West Partnership. The first phase of development is scheduled to be completed by Spring of 1991. The homes will sell at market rate.

Surplus City-owned land has also been provided to nonprofit housing developers for assisted housing. Developments using surplus land now in process include 35th Avenue, Beth Eden Ecumenical and projects on Golf Links Road. As land becomes surplus to the City's needs, it will continue to be evaluated for residential use potential.

Surplus City-owned land has also been provided to nonprofit and profit-motivated housing developers for assisted housing. Recently, OCD sent out requests for proposals to develop scattered-site housing on 24 sites throughout the City. Interviews are being conducted at this time, and it is anticipated that development activities will begin soon.

Oakland Waterfront Housing: The Oakland Waterfront encompasses 19 miles of waterfront from the Bay Bridge to the San Leandro border. Historically, because the waterfront consists mostly of state grant tide and submerged trust lands, the waterfront has been used almost exclusively for trust purposes such as the marine operations for the airport. In 1989 the Port of Oakland began to review opportunities for enhanced development of Port Area real estate not currently needed or proposed for maritime or aviation-related uses. The Port is identifying those portions of the waterfront that may be appropriate for commercial, residential, industrial, or other development including Jack London Square, Embarcadero Cove, and San Leandro Bay. The City has held a longstanding interest in potential residential development opportunities on the Oakland waterfront. As of now, the Portobello Condominium Complex, located on private non-trust land, and a few house boats are the only residential uses on the waterfront. There are also a number of older residential buildings elsewhere in the Port area. Any residential development would, of course, have to take into consideration the legal restrictions on the use of State trust

lands. Such residential development must also respond to legitimate environmental concerns over wetlands and marshes. There are, however, many parcels along Oakland's waterfront that could potentially be used for residential development, several of which are privately held lots. Overall, residential development would have to be compatible with, and integrated into, all other appropriate types of development in such a way that it would allow maximum use of the City's waterfront and provide the highest benefits to the City and its people.

Availability of Land for Residential Development: As set forth above, there is vacant land that can accomodate a good deal of residential development. Most of Oakland's future housing development, however, especially its multi-family projects, will take place on land that is already developed, much on what might be considered "undeveloped". The amount of such undeveloped land cannot at this time be quantified (except to note that approximately 21 square miles of land in Oakland permits multi-family residential development). The market, of course, will decide what land gets developed or re-developed. The City is convinced, however, that there is more than enough vacant and "underdeveloped" land in Oakland to satisfy the City's housing development objectives.

Effect of Market Constraints Upon The Development of Affordable Housing

~~High interest rates generally place the price of new homes in Oakland beyond the reach of low and moderate income families. The minimum costs associated with developing a typical 1,500 square foot home in a small infill subdivision are summarized in Table 31.~~

~~The minimum price of \$100,235, as shown in the table, is well in excess of what a moderate income family can afford. Even after making a 20 percent downpayment, a minimum annual income of \$48,669 would be required to qualify for a loan of \$80,188 amortized over a 30-year term at a 15 percent interest rate. (Minimum qualifying income must be four times higher than required debt service payments.)~~

TABLE 31

~~Single-Family Home Development Costs:~~

| | |
|----------------------------|-----------|
| Construction Costs | \$ 67,500 |
| Construction Loan Interest | 3,041 |
| Land Cost | 15,000 |
| Land Financing | 1,620 |
| TOTAL COSTS | 87,161 |

15% Developer Profit 13,074

MINIMUM PRICE \$100,235

Assumptions: Minimum infill construction cost of \$45 per square foot. Land purchased and financed (80% loan-to-value ratio) immediately prior to the start of construction at an 18% interest rate. Construction loan interest reflects the cumulative interest on four construction draws over a hypothetical nine-month construction period at an 18% interest rate.

A benchmark figure of \$25,600 for a family of four is presently applied by the federal government as the City's low to moderate-income (80 percent of median) household limit. Such households could not afford units priced beyond \$42,179 under the same terms described above, a figure well below 1984 average sales prices for every City neighborhood except Central East Oakland and Elmhurst.

The bleak home affordability picture suggests that the demand for the city's ownership units comes primarily from nonresidents. The selling price of the average single family house in Oakland jumped from \$48,702 in 1977 to \$119,815 in 1981 and then to \$156,164 in 1984. Significantly, between 1981 and 1984, a period when the rate of housing price increases for the Bay Area as a whole averaged three percent per year, the average sales price for a single family home in the City of Oakland jumped 30 percent. Regional market pressures are therefore pushing the cost of homeownership beyond the reach of most Oakland households and fueling the process of neighborhood transition and displacement.

The increased need for new rental units to house those new households who cannot afford homeownership has not been translated into effective demand. With market rents for available units ranging from \$293 per month for studios to \$510 per month for two bed-rooms in 1983, the conventional development of apartments is not financially feasible. The favorable balance between construction, land, and financing costs on one hand, and market rents and tax incentives on the other, does not exist. This problem is not unique to Oakland; instead, it is typical of the economics of apartment development in the U.S. today.

Tax-exempt bond programs, as the source of permanent financing for rental projects, is Oakland's primary strategy for the next six years for developing moderate and market-rate rental housing. Developers are showing considerable interest in the City's multi-family bond issue; currently (in 1984-85) it appears that rents have increased enough to make multi-family rental projects feasible with bond financing, even with 20 percent reserved as lower-income rental units.

The high sales prices, high interest rates, and lender requirements for downpayments and closing costs generally place the price of new homes in Oakland beyond the reach of low- and moderate-income families. The minimum costs associated with developing a typical 1,500 square-foot home in a small infill subdivision are summarized in Table 31.

Table 31

SINGLE-FAMILY HOME DEVELOPMENT COSTS

| | |
|------------------------------------|------------------|
| <u>Construction costs:</u> | <u>\$97,500</u> |
| <u>Construction loan interest:</u> | <u>4,388</u> |
| <u>Land cost:</u> | <u>35,000</u> |
| <u>Other fees (10% of const.):</u> | <u>9,750</u> |
| <u>TOTAL COSTS</u> | <u>\$146,638</u> |
| <u>15% Developer's Profit</u> | <u>21,995</u> |
| <u>MINIMUM PRICE</u> | <u>\$168,633</u> |

Assumptions: Minimum infill construction cost of \$65 per square foot. Site of 3,500 square feet purchased at \$10 per square foot immediately prior to the start of construction. Construction loan interest reflects cumulative interest over a hypothetical nine-month period at 12 percent interest.

The minimum price of \$168,633, as shown in Table 31, is well in excess of what a moderate-income family can afford. Even after making a 20 percent downpayment, a minimum annual income of \$56,810 would be required to qualify for a loan of \$134,866 amortized over a 30-year term at a 10 percent interest rate. (Minimum qualifying income must be four times higher than required debt service payments.)

For low-income households, the outlook is even worse. In Oakland, a family of four with an annual income of approximately \$40,000 is considered to be "low income" (80 percent of median income for the East Bay) by the federal government. Such households could not afford units priced beyond \$83,800 under the same terms described above, a figure well below 1988 median sales prices for every Oakland neighborhood.

The bleak home affordability picture suggests that the demand for the city's ownership units comes primarily from a combination of existing homeowners "trading up" and nonresidents moving into the city. The median selling price of a single family house in Oakland jumped from \$71,750 in 1980 to \$139,000 in 1985, and then to \$185,000 in 1988. Under these conditions, it is nearly

impossible for Oakland renters to enter the homeownership market.

The increased need for new rental units to house those new households who cannot afford homeownership has not been translated into effective demand. With market rents for available units ranging from \$410 per month for studios to \$680 per month for two bedrooms in 1989, the conventional development of apartments is not financially feasible. The favorable balance between construction, land, and financing costs on the one hand and market rents and tax incentives on the other does not exist. This problem is not unique to Oakland; instead, it is typical of the economics of apartment development in the U.S. today.

High development costs for multifamily rental projects, in conjunction with an impacted housing market, create an increasing need for rental units affordable to low- and moderate-income households. The high cost of land for multifamily projects significantly contributes to the high cost of development of these projects. Project developers, unless they receive subsidies, must charge high rents to create a sufficient cash flow. Table 31A provides a survey of land costs for publicly assisted multifamily rental projects. The City provided deferred loans to enable the project sponsors to purchase the properties. Without the deferred loans, as well as other subsidies, the project sponsors would not be able to charge rents affordable to low- and moderate-income households. In addition, the projects are located in the seven Community Development Districts where land prices are often lower than in other portions of Oakland.

Currently, there are no funded federal government programs for financing rental projects. The burden is on state and local governments to provide permanent financing to make rental housing projects financially feasible. At the local level, the Redevelopment Agency sets aside nearly \$5 million annually in its Housing Trust Fund for the development of affordable housing.

In addition to substantial cutbacks in direct expenditures for housing, Congress in 1986 modified federal tax laws in ways which are generally unfavorable to housing construction. In particular, the use of tax-exempt revenue bonds, which was a major source of housing finance in the early 1980s, has been limited. Tax deductions for rental property have been reduced or eliminated and have been replaced with a new Low-Income Housing Tax Credit, which effectively increases a developer's "after-tax" rate of return. Although the tax credit in itself does not provide sufficient subsidy for development of low-income rental housing, when used in combination with state and local resources, it can be an important financing tool. To date however, the tax credit has been authorized only on a temporary basis, and it is uncertain whether Congress will make it permanent.

NEIGHBORHOOD RESISTANCE TO NEW DEVELOPMENT

TABLE 31A

SURVEY OF LAND COST FOR SUBSIDIZED MULTIFAMILY RENTAL PROJECTS: OAKLAND, 1991

| AVERAGE LAND COST | AVERAGE # OF UNITS | AVERAGE SQUARE FOOTAGE OF LAND | LAND COST PER UNIT | LAND COST PER SQUARE FOOT |
|----------------------|-----------------------|--------------------------------------|-----------------------|------------------------------|
| ----- | ----- | ----- | ----- | ----- |
| \$543,814 | 41 | 31,870 | \$13,264 | \$17 |

Source: Office of Community Development, Housing Development Section

Neighborhood resistance has increasingly become a factor to consider in the development of all types of housing, whether they are single-family ~~bungalows or high-rise condominiums~~ or multifamily, or low density or high density projects. Neighborhoods in all cities often resist changing their familiar environments. Even those community groups which are sympathetic to new housing often balk when confronted with a high-density proposal *that affects their own neighborhood.*

There is also resistance on the neighborhood level to assisted rental housing. The large number of assisted units scattered throughout Oakland may have overly sensitized the population to this type of development. There are currently more than ~~twelve~~ ten thousand assisted units in the City, of which more than 3,300 are City-owned. Whereas Oakland has less than eight percent of the nine-county region's housing units, it has 16 percent of the region's publicly-assisted housing. *Factors contributing to this disparity in the location of publicly-assisted housing include a long history of local government support of publicly-assisted housing; Oakland's large population of low- and very low-income residents; and the presence of sophisticated nonprofit housing development organizations in Oakland.*

LOCAL GOVERNMENTAL CONSTRAINTS

Government policies and procedures directly affect the supply and cost of housing. Land use controls, such as zoning, have the greatest direct impact; but development approval procedures, permit fees, and building *and housing* codes can affect housing costs as well.

Land Use, Building, and Housing Controls

City Zoning Regulations: Zoning Regulations can be discussed from two perspectives: textual provisions and zoning maps.

1. Textual Provisions: The *Oakland* Zoning Regulations contain a wide variety of zones, each intended for a different kind of location. The Oakland Zoning Summary, included as Appendix C, gives the name of each existing zone and some of its major controls. Most of these are basic zones, either residential, commercial, industrial, or special. In addition, there are combining zones which can be mapped over the basic ones to supplement them with special provisions. There are also designated landmark controls which can protect individual buildings or features of historic, architectural, or other special interest; and development control maps which can provide precise siting or other regulations. Under Oakland's Zoning Ordinance, manufactured single-family homes are permitted anywhere that conventional

single-family homes are allowed.

There are 10 Residential Zones in the Zoning Regulations (see Appendix C), differentiated mainly by density; they run from one-family zones (R-10, R-20, R-30, and R-35) to high-density zones (R-70, R-80, and R-90). The following controls are, unless otherwise indicated, contained in each Residential Zone: Permitted Activities, Conditionally Permitted Activities, Permitted Facilities, Conditionally Permitted Facilities, Limitations On Signs, Minimum Lot Area/Width/Frontage, Maximum Residential Density, Maximum Height, Minimum Yards, Buffering, Special Regulations For Large Developments (R-10, R-20, and R-30 Zones Only), Special regulations For Mini-Lot And Planned Unit Developments (R-35, R-40, R-50, R-60 and R-70 Zones Only), Use Permit Criteria For Secondary Units (R-10, R-20, R-30, and R-35 Zones Only), Use Permit Criteria For More Than Two Dwelling Units (R-40 and R-50 Zones Only), Maximum Nonresidential Floor-Area Ratio (R-60 and R-70 Zones Only), Maximum Floor Area Ratio (R-80 and R-90 Zones Only), Special Regulations Applying To Certain Commercial Activities (R-80 and R-90 Zones Only), Performance Standards For Commercial Activities (R-90 Zone Only), Special Residential Design Review For Projects With One Or Two Units On A Lot, Design Review For Residential Projects With Three Or More Units On A Lot (R-60, R-70, R-80, and R-90 Zone Only), Off-Street Parking and Loading, Home Occupations, Nonconforming Uses, and General Provisions.

The ordinance contains a number of review procedures. Conditional Use Permits are required in many situations when a particular use might pose problems. (With a use permit, lot size may be reduced for "mini-lot development" of townhouses, thus reducing land cost for owner-occupied housing.) The variance procedure is largely intended to provide relief in unusual cases where the zoning requirements would work an undue hardship. The design review procedure is required for all new construction and exterior remodeling in several zones and ~~is required of~~ for all residential projects with five or more newer existing units in all high-density residential zones and commercial zones in which residential activity is permitted.

A special residential design review program has recently been added to the Zoning Regulations. It covers all one or two-unit residential projects, both new construction and, with certain exemptions, additions or alterations -- but only if such projects are not subject to some other kind of design review. Special features of the program include: low application fees, 15-day limitation on decisions, no posting or notifications, and no appeals.

The planned unit development (PUD) procedure especially encourages design flexibility and offers varying special bonuses for worthwhile projects. For instance: in the R-30 one-family residential zone, developments can include multi-family buildings; in the R-35 and higher density zones, housing density bonuses are possible;

commercial uses can be built within PUD projects in many residential zones; and height limits may be waived in any zone.

Zoning ordinance changes recommended for future study include: allowing a higher density for tasteful conversion of attractive older dwellings; converting garages and ground floor storage areas to specially-designed apartments for the handicapped; and allowing a density bonus for projects which remove a blighting nonconforming use. Upon authorization by City Council, all of the above changes will be studied, and the resulting recommendations will be considered by both the City Planning Commission and the City Council.

While the zoning ordinance does regulate the development of housing in Oakland, *its controls are considered reasonable*, and it in no way deters or poses significant constraints on such development in the City.

2. The Zoning Pattern: Map 4, "Generalized Zoning 1980", in the City's Land Use Element shows the basic zoning pattern for Oakland in a simplified form. It shows where different activities, including residential development at a variety of densities, can be located. The official zoning map is the legal instrument for identifying locations in Oakland suitable for single-family and multi-family housing.

In Oakland, lower-density-zoned areas tend to be in the hills with higher-density-zoned areas in the flatlands. Much of Oakland in the flatlands, however, is zoned at higher densities than existing development, and much of Oakland's high-density-zoned land could accommodate much more intensive development. Oakland still has enough sites, properly zoned and serviced, to meet the City's housing objectives.

Of the 53.81 square miles of land area in the City of Oakland, approximately 38 square miles, or 70 percent of the land area, is in residential zones. Within such residential areas, approximately 24 square miles are in single-family residential zones (R-10, R-20, R-30, and R-35), and 14 square miles are in multi-family residential zones (R-40, R-50, R-60, R-70, R-80, and R-90). Commercial and special zones (i.e., medical, civic and research center areas) constitute approximately 7 square miles. Due to the fact that almost all commercial (except C-60) and special (except S-3) zones allow residential or mixed use developments, the result is that approximately 21 square miles of land in Oakland permits multi-family residential development.

Subdivision Regulations: California's Subdivision Map Act makes nearly all real estate divisions in Oakland subject to City review. It gives the City broad power and responsibility to guard against improper development. A subdivision must be denied if it is inconsistent with the City's Comprehensive Plan (or any applicable specific plan), if the site is not physically suitable for the proposed density and type of development, or if the proposal is likely

to cause substantial environmental damage.

The State law is supplemented by local controls on subdivisions. These prescribe review procedures; set forth many regulations on design (such as those affecting lot pattern and street width); and provide for construction of streets or other improvements where appropriate. A soil report is required unless waived by the City. There is also a provision calling for design to minimize or eliminate potential flood damage. One standard calls for, with certain exceptions, new lots to be at least as big as the prevalent size of surrounding lots. Another regulation requires due consideration for providing public or common open spaces. A special section in the City's ordinance deals with hillside subdivisions.

Condominium Conversion Regulations: Article 7 of the City's Subdivision ordinance deals specifically with the conversion of existing rental residential property into condominiums. The main thrust of this article is to protect the City's residential rental supply and to protect the rights of tenants. In general, the conversion of any building of five or more units requires the provision of an equal number of conversion rights. A conversion right is generated by adding a housing unit to the City's rental supply. For the conversion to take place in what has been identified as the "conversion impact area," all buildings, even those under five units, must produce conversion rights, and the rights must be generated within the impact area. (The ordinance details the various ways that conversion rights can be generated.) Another important feature requires lifetime leases for elderly tenants with rent increases tied to 75 percent of the increase in the rent component of the Bay Area's consumer price index.

Building Regulations: *The principal regulations governing building construction in Oakland are the Oakland Building, Electrical, Plumbing, Mechanical, and Fire Codes, which are based on the 1988 Uniform Building Code and its related codes. The Building, Electrical, Plumbing and Mechanical Codes are administered by the Development Services Department headed by the Development Services Manager who is also the City's Building Official. The Oakland Fire Code is administered by the Oakland Fire Department's Fire Prevention Division, headed by the Fire Marshal, and is intended to insure that all buildings meet minimum fire safety requirements.*

Related regulations are the Oakland Dangerous Buildings Code based on the Uniform Dangerous Buildings Code and the Oakland Housing Code (which was specially developed by the City in the 1950's and is generally more restrictive than the Oakland Building Code). Buildings which are unsafe and/or exhibit code violations can be ordered vacated, rehabilitated, or demolished by either the Building Official under the Dangerous Building Code or by the Housing Conservation Division and its Housing Advisory and Appeals Board under the Housing Code. Actions under the Dangerous Building Code are usually limited only to extremely hazardous residential buildings and

to nonresidential buildings. Residential buildings with code violations which are not extremely hazardous are usually processed under the Oakland Housing Code. The great majority of buildings demolished for code violations over the years have been processed under the Oakland Housing Code.

Housing Code Enforcement: The responsibility for enforcement of the Oakland Housing Code lies with the Housing Conservation Division of the Office of Community Development. The primary function of the Division is to respond to complaints of violations, deficiencies, or other problems relating to the Oakland Housing Code. These include certificates of occupancy, requested fee inspections, fire safety compliance, complaint service, zoning enforcement, substandard structures rehabilitation, public nuisance structures, recyclable materials and scrapyard abatement, abandoned vehicle abatement, mandatory garbage service, and mandatory board-up of vacant homes with mandatory cleanup for lots.

When a complaint is alleged in a residential usage, an inspection is made by a Housing Representative. If the allegation is verified, an official Notice to Abate is issued to the responsible party. The notice sets forth the violation, citing the applicable Code number, and also explains what must be done to abate the violation. If the violation is not abated within a suitable time frame, then, depending on the severity of the violation, enforcement proceedings are instituted.

These proceedings may include a Citation to Appear before a Municipal Judge for a hearing, a hearing before the Prosecuting Attorney to show cause why a complaint should not be issued; or a hearing with the Housing Advisory and Appeals Board to show cause why the structure should not be declared either vacated or demolished (depending on the status). Primary emphasis is stressed on the abatement of hazardous, unsanitary conditions, rather than nuisance complaints between landlords and tenants.

A relatively new area of responsibility for Housing Conservation staff is the elimination of citywide blight conditions regulated by the Blight Ordinance. Housing Conservation has been authorized to enforce and abate the Blight Ordinance which is a 1988 local amendment to the State Uniform Building Code.

Recently, Housing Conservation has also been called on to actively participate and assist the newly formed Beat Health Unit of the Police Department. One of the objectives of the unit is to identify and abate crack houses in the City.

Other City-Administered Regulations: New residential development will also be affected by a number of other City-administered regulations. These include:

1. The City's grading ordinance which requires permits for substantial earth moving projects;

2. The Oakland Municipal Code's provisions on development within the flood plain which incorporate Federal standards such as minimum elevation or floodproofing;
3. The provision banning use of septic tanks except under certain conditions on large lots;
4. Certain other special provisions of the Oakland Municipal Code, such as those on unnecessary or persistent noise;
5. Various parking and traffic controls in the Oakland Traffic Code;
6. The State's Alquist-Priolo Geologic Hazard Zones Act and related City provisions which regulate construction in such zones and require geologic reports where appropriate;
7. The State-prescribed Noise Insulation Standards (which limit indoor noise levels for all new housing except single-family-detached dwellings) and related City provisions;
8. Title 24 energy conservation standards for new residential construction adopted by the State Legislature in July, 1983 (thereby increasing the time involved in processing permit applications);
9. The Oakland Building Code's provisions for soil reports in known areas of unstable soils;
10. Other health or safety-related requirements of the Building, Housing, Sign, and Fire Prevention Codes which affect in many ways the design of new structures--and the maintenance or remodeling of existing ones (there is an on-going review of these codes to ensure that they do not present unreasonable constraints to the construction or rehabilitation of residential buildings);
11. Special rehabilitation standards that apply in renewal areas such as Oak Center; and,
12. Temporary "moratorium" ordinances which have been enacted on several occasions to delay construction in an area (or further development of certain kinds of uses) while appropriate planning is being undertaken.

The total building permit process was analyzed in a "Report to the City Manager of the City of Oakland" prepared by the Harvey M. Rose Accounting Corporation in April, 1982. One purpose of the report was to determine whether permit applications are processed in an efficient and expeditious manner. One conclusion found on page 4 of the report states the following: "Although the zoning review process requires the most time, there is little that can be done by

the City to shorten steps in the process. Many of these time requirements are prescribed by law...In fact, the Planning Department staff generally process zoning permit applications in considerably less time than permitted under existing legislation."

The Impact of City Regulations on Housing Rehabilitation: There are few governmental constraints on the maintenance and improvement of housing. Most rehabilitation does not involve zoning, subdivision, or other regulations previously reviewed; many of those regulations are not applicable to an existing use. Rehabilitation is much easier from a regulatory point of view than new construction.

Costs of the Local Permit Process For New Residential Development

Permit costs can vary substantially from site to site depending on site conditions, location, and types and design of development. State law requires that all fees charged be limited to the actual costs of performing such services. City of Oakland fees are fair in this regard and low in comparison to other cities in the Bay Area. This is substantiated by the ABAG report, "Development Fees in the San Francisco Bay Area, An Update", published in January, 1982. This report updated an ABAG Survey carried out in 1981. A further update was made by the Bay Area Council in its 1988 publication entitled "Taxing the American Dream". This report showed the 1987 fees for 48 Bay Area cities and ranked them (from lowest to highest) according to the percent increase from 1981 ABAG figures. Oakland ranked first with only a one percent increase; it also ranked first with the lowest fee.

The following are some of the major local permit costs (as of July, ~~1984~~ 1989) that a developer would have to bear in undertaking a new residential development.

I. Planned Unit Developments

A. Preliminary PUD

~~Basic Fee: \$1575.~~

~~Plus: \$11 per 10,000 square feet of site area over four acres.~~

~~Plus: \$0.005 per square foot of floor area.~~

B. Final Planned Unit Development

~~Basic Fee: \$900~~

~~Plus: \$5 per 10,000 square feet over four acres.~~

~~Plus: \$0.002 per square foot of floor area.~~

~~C. Plus \$1575 and \$32 per lot if a Tentative Map is required.~~

~~D. Plus costs for Environmental Impact Report (EIR), if required, and Building Permit fees (see below).~~

~~II. New Condominiums~~

~~A. Tentative Map: \$1607.~~

~~B. Plus Final Map: \$720.~~

~~C. Plus costs for EIR, if required, and Building Permit fees (see below).~~

~~III. All Other Subdivisions~~

~~A. Tentative Map: \$1575 plus \$32 per lot.~~

~~B. Plus Final Map: \$680 plus \$45 per lot.~~

~~C. Plus costs for EIR, if required, and Building Permit fees (see below).~~

~~IV. Environmental Impact Report: \$1700.~~

~~V. Building Permit Fees~~

~~A. Inspection:~~

~~1. \$50,001 to \$100,000 construction value: \$288.50 for first \$50,000 plus \$2.50 for each additional \$1,000.~~

~~2. \$100,001 plus construction value: \$413.50 for first \$100,000 plus \$1.75 for each additional \$1,000.~~

~~B. Checking: 60 percent of Building Permit Inspection fees.~~

I. Planned Unit Developments

A. Preliminary PUD

Basic Fee: \$1,963.00

Plus: \$13.55 Per 10,000 sq. ft. of site over four acres.

Plus: \$0.008 per sq. ft. of floor area.

B. Final Planned Unit Development

Basic Fee: \$1,587.00

Plus: \$6.60 per 10,000 sq. ft. of site area over four acres.

Plus: \$0.005 per sq. ft. of floor area.

C. Plus \$1,958 and \$40 per lot if a Tentative Map is required.

D. Plus costs for Environmental Impact Report (EIR), if required, and Building Permit fees (see below).

II. New Condominiums

A. Tentative Map: \$1,998.00

B. Plus Final Map: \$870.00

C. Plus cost for EIR, if required, and Building Permit fees (see below).

III. All other Subdivisions

A. Tentative Map: \$1,985.00 plus \$40 per lot.

B. Plus Final Map: \$810.00 plus \$60 per lot.

C. Plus costs for EIR, if required, and Building Permit fees (see below).

IV. Environmental Impact Report: \$2,114.

V. Building Permit Fees

A. Inspection:

1. \$50,001 to \$100,000 construction value: \$414.00 for first \$2,000 plus \$4.50 for each additional \$500.

2. \$100,000 and higher construction value: \$638.00 for first \$2,000 plus \$3.50 for each additional \$500.

B. Checking: 65 percent of Building Permit inspection fees.

VI. Sewer Inspections:

A. Sewer Repair, Extension or Replacement: \$125.00 each

B. Sewers, New Building Connection: \$400.00 each

C. Sewer, Common Private

1. Basic Fee -

\$250.00 per Parcel

2. Surcharge

\$2.00 per Linear Foot

VII. *Private Sewer Assessment District Application Fee:*

| | |
|-------------------------------|-------------------|
| <i>1 Four Lots or Less:</i> | <i>\$1,725.00</i> |
| <i>2 Each Additional Lot:</i> | <i>\$250.00</i> |

VIII. *EBMUD Installation Costs:*

- A. *Wastewater Capacity Fee (W.C.F.) for Single Family Homes: \$515.00 (W.C.F. is based upon computing the estimated cost to treat flow requirements.)*
- B. *A System Capacity Charge is assessed to recover costs associated with the additional demand to EBMUD'S water system incurred by providing service to the property. The standard 5/8 meter size for a single-family home would be charged \$1,090.*

Sample Calculation: The cost to install one 5/8-inch meter to serve a single-family residence in West Oakland would be calculated as follows:

| | |
|--------------------------------|------------------|
| <i>Installation Fee</i> | <i>\$1,800</i> |
| <i>System Capacity Charge</i> | <i>1,090</i> |
| <i>Wastewater Capacity Fee</i> | <i>515</i> |
| <i>Account Fee</i> | <i><u>10</u></i> |
| <i>Total</i> | <i>\$3,495</i> |

A Wastewater Capacity Fee for Multi-family Units is determined by EBMUD District staff for each particular project.

The installation fee for two or more 5/8-inch meters (one meter per unit) on a single lateral ranges from \$2,325 to \$4,040.

The System Capacity Charge for each of the first 10 dwelling units in a single structure is \$650.

Sample Calculation: The cost to install two 5/8-inch meters on a single lateral to serve a duplex residence in West Oakland would be calculated as follows:

| | |
|--------------------------------|-----------------------|
| <i>Installation Fee</i> | <i>\$2,325</i> |
| <i>System Capacity Charge</i> | <i>1,300</i> |
| <i>Wastewater Capacity Fee</i> | <i>1,030</i> |
| <i>Account Fee</i> | <i><u>20</u></i> |
| <i>Total</i> | <i><u>\$4,675</u></i> |

Other than special mitigation fees required by conditions of approval, there are no fees

assessed for parks, schools, growth, or traffic impacts. However, the City does have a \$100 per bedroom surcharge that is assessed for all residential construction.

Overall, there are no significant local governmental constraints upon the maintenance, improvement, or development of housing for all income groups imposed by the City's land use controls, building codes and their enforcement, required site improvements, fees and other exactions required of developers, or local processing and permit procedures.

FEDERAL POLICY CONSTRAINTS

Recent changes in federal housing policy have had a critical effect on Oakland's ability to produce and rehabilitate housing needed by the City's low- and moderate-income residents. This section attempts to put these new shifts in perspective and describe their probable impact upon affordable housing efforts in Oakland. Federal policy is a crucial determinant of the amount of new housing that can be produced. Since the Second World War, a cornerstone of domestic policy has been that the federal government should intervene in national capital markets to insure a sufficient flow of funds into housing to meet societal needs. Concrete steps included the provisions of federal home mortgage insurance to reduce lender risk (FHA and VA), the creation of secondary mortgage markets to more efficiently allocate funds (FNMA and GNMA), and the provision of tax incentives such as the accelerated depreciation of rental property and deductibility of interest on home mortgage payments to stimulate supply and demand.

Within the housing production system itself, the government has intervened to meet the needs of low-income families who were not being adequately housed through the filtration process. An initial step was legislation authorizing the creation of local housing authorities--public corporations whose task is the development and operation of publicly-owned housing for low-income families and elderly persons. More recently, however, the government has sought to affect private housing markets directly by creating subsidy programs to encourage the private development and ownership of housing for low-income groups (HUD Sections 236, 202, 8, etc.). Similar programs to stimulate the private rehabilitation of housing in declining areas were also developed (Urban Renewal, Section 312, etc.). The net effect of such public and private efforts has been, despite the serious problems that remain, an upgrading of housing conditions for many Americans.

~~The position of the present administration is that government policy has overallocated capital into housing to the net detriment of industry and commerce. By redirecting funds out of housing, it is argued, more money will be available for industrial development, and productivity will increase for the economy as a whole.~~

The Reagan administration, with the concurrence of a majority in the Congress, has implemented this concept. Funding for virtually all of the existing "deep subsidy" production and rehabilitation programs (such as Section 8 rental assistance) have been eliminated except for a small allocation for elderly housing. As a substitute, the creation of a less expensive rental voucher system has been implemented on an experimental basis; this system provides some low-income households with financial assistance enabling them to afford prevailing market rents in existing units. There is no assurance, however (nor has it been so argued), that the private market will respond to increased purchasing power by providing more units.

As a community with a proportion of poor and minority residents higher than the regional average, Oakland has been particularly dependent upon federal programs to provide housing. As of 1984, Oakland had approximately 12,000 public and publicly-assisted housing units, some eight percent of its total stock. In spite of these accomplishments, many large families, elderly, handicapped individuals, and other groups with low and moderate incomes remain inadequately housed in Oakland. The private market is not capable of providing new housing for people in these groups in the absence of government subsidies. In addition, few existing units are likely to become available to such households through the filtration process. Regional demand pressures have interrupted the normal movement of vacancy chains and are largely preventing low-income households from realizing any direct benefit from the production of more expensive market-rate units.

In summation, market factors have induced a housing crisis in Oakland leaving the City with a pressing need for direct federal and state housing assistance. As relatively little aid appears forthcoming, however, overcrowding and displacement are likely to become increasingly severe problems.

During the Reagan Administration (1981-1989), however, there was a critical shift in the housing policies of the federal government. Housing became a low priority at the national level due to the political and economic philosophy of the Reagan Administration which held the position that the federal government had over-allocated capital into housing. By redirecting funds out of housing, it was argued, more money would be available for industrial development, and productivity would increase for the economy as a whole. With the concurrence of Congress, the Reagan Administration was able to implement this policy. Funding for virtually all of the existing "deep subsidy" production and rehabilitation programs (such as Section 8 New Construction) have been eliminated except for a small allocation for Section 8/202 housing programs for elderly and handicapped households. The Housing Development Grant (HDG) program, introduced in 1984, was recently eliminated by Congress after only three funding rounds. Since 1980, there has been a 75 percent reduction in federal housing funds.

As a substitute for subsidizing the development of affordable housing, the federal government has instituted the Housing Voucher Program which supplements the Section 8 Existing Housing Certificate Program. Housing vouchers provide financial assistance to some very-low-income households to assist them to secure existing units in the private market and to afford prevailing market rents. Often, however, tenants may pay more than 30 percent of income for rent. In addition, there are no assurances that the private market will make units available to households with housing vouchers.

As a community with a high proportion of poor and minority residents in comparison to the region, Oakland has been particularly dependent upon federal programs to provide housing. As of March 1990, Oakland had over 15,000 public and publicly-assisted housing units. (See Chapter 5, Table 24, for details). Approximately 33 percent are elderly units, and 67 percent are family units. In spite of these accomplishments, many large families, elderly, handicapped individuals, and other groups with very low, low, and moderate incomes remain inadequately housed in Oakland. The private market is not capable of providing new housing for low-income households in the absence of government subsidies. In addition, few existing units are likely to become available to such households through the filtration process. Regional demand pressures have interrupted the normal movement of vacancy chains and largely prevent low-income households from realizing any direct benefit from the production of more expensive market-rate units.

With the 75 percent reduction in federal housing funds since 1980, coupled with limited state housing funds, the burden for financing subsidies for low and moderate-income housing has been placed on local governments. Local subsidies are available from the Redevelopment Agency's tax increment funds for housing development. Despite Oakland's commitment of a significant portion of funds to the development and preservation of affordable housing, local subsidies alone cannot provide the level of funds necessary to develop housing adequate to meet the City's needs.

EXPIRATION OF FEDERAL HOUSING SUBSIDIES

Perhaps the most serious threat to meeting the needs of affordable housing in Oakland is the number of existing affordable rental housing units eligible for termination of their federal subsidy; owners of such units may choose to convert them to market-rate housing. Five federal housing assistance programs allow conversion of low-income units to market rents. These programs include Section 221 (d) (3), Section 236, Section 8 New Construction, Substantial and Moderate Rehabilitation Programs, and Section 8 Loan Management Set Aside Programs.

Under these programs, private owners of these units may prepay their low interest mortgages after 20 years and convert the

projects to market rate housing or, in the case of rental subsidies, not renew the subsidies. In either case the effect is that rents may increase substantially, forcing many tenants out of their units because they cannot afford the increased rent.

In Oakland, the prospect of a loss of a substantial portion of the existing supply of subsidized housing is quite real. Under contract with the California Housing Partnership, the California Coalition of Rural Housing Project compiled a list of state and federally-assisted low-income rental units. According to the data, nearly 2,000 units of low-income housing throughout Oakland could be eligible to convert to market-rate housing between 1989 and 1994. They fall into two categories. In the first category are those projects which are owned by profit-motivated developers and are eligible to prepay their mortgages. In this category, it is estimated that there are 305 housing units in four projects. Depending upon market conditions, these units will convert to market rate housing unless there is federal legislation and/or subsidies to save these units as affordable housing. In the second category are those projects which are owned by profit-motivated developers whose Section 8 contracts are expiring or who would be eligible to opt out of their Section 8 contracts. There are 1682 units in 11 projects in this category.

A third category involves projects which are owned by nonprofit corporations and which receive Section 8 rental subsidies. For these projects, it is the loss of the Section 8 subsidy which presents the potential problem. It is estimated that there are approximately 850 units at risk in this category. However, at this time it is anticipated that Congress will extend these contracts upon their expiration.

In response to this impending crisis, the Oakland City Council, in 1988, passed legislation that mandates that a public hearing be held within 45 days of the City's receipt of notification of anticipated terminations of subsidy contracts and mortgage prepayments. This notification is mandated under the State of California's Government Code, Section 65863.10. In addition, staff at the Office of Community Development have been working closely on this issue since 1987. Currently, City staff is developing policy recommendations to present to City Council in an effort to protect these low-income housing units. Staff continues to monitor the status of these units.

GOALS, POLICIES, AND PROGRAMS

~~This section of the chapter concentrates on the tools and processes of implementation. It has been divided according to the problems outlined in previous chapters. into three subsections: Each subsection includes a listing of policies and programs for addressing the problems; where appropriate, past program accomplishments and future program goals are included. This chapter also contains quantified housing objectives and a Housing Action Plan for the next five years.~~

- ~~— . Policy Planning — This subsection discusses the function of the Housing Element and includes a listing of adopted housing goals, policies, and quantified objectives for the development and rehabilitation of housing between 1985 and 1990 and 1995.~~
- ~~— . Program Planning — This subsection discusses Oakland's experience with certain programs and contains a listing of program tools currently being used to meet the City's housing problems.~~
- ~~— . Housing Action Plan — This subsection discusses uncertainties inherent in projecting future program results and specifies ongoing and future housing actions the City intends to undertake.~~

POLICY PLANNING

The preparation of a comprehensive housing implementation program is the responsibility of a number of city offices including City Planning, the Housing Authority, and the Office of Community Development's (OCD) Housing and Neighborhood Preservation Division. The Housing Element's function is to identify housing issues, determine City policy, and set forth realistic program production targets. ~~The statements listed below represent All of the City's Housing Element goals and policies contained in this chapter and quantified objectives as they will appear in the Oakland Policy Plan, a basic component of the City's Comprehensive Plan.~~

PROGRAM PLANNING

With the advent of the Community Development Block Grants and the formation of the City's Office of Community Development (OCD), a more coherent planning process for housing development emerged. A Housing Department was created within OCD, consolidating the functions of Code Compliance, Housing Rehabilitation, *Housing Development*, and various support services including home counseling and

relocation. The Housing Department helps bridge the gulf between policy development and program implementation.

Interacting with the development of housing programs is a citizen participation process composed of seven Community Development District Councils under the aegis of the Community Development Advisory Commission (CDAC) with staff support provided by the City, through OCD. The District Councils, made up of district citizens, develop program and project ideas which are forwarded for review to the CDAC. The CDAC reviews district proposals and recommends selected programs and projects to the City Council, which then considers them in light of existing City policy and budget constraints.

The City's major housing programs developed so far fall generally into the two categories of "regulation" and "subsidy", with the subsidy programs using the greatest resources. The subsidy programs fall into subcategories of direct subsidy, (grants of City, State, or Federal funds) and indirect subsidy (various revolving loan programs). These and other programs which have been (or have the potential for being) important tools in addressing specific housing problems in Oakland are described ~~below~~ in this chapter.

HOUSING GOALS

The City has established three overall housing goals. These goals provide guidance for the development of more specific policies and programs to address the housing needs of Oakland. The three goals are as follows:

- . To ensure that every Oakland family has the opportunity to live in a sound housing unit, large enough to accommodate its members, at a reasonable cost relative to its income, and free from noneconomic constraints on its freedom of selection.
- . To provide for the housing needs of all economic segments, all age groups, and all household types.
- . To ensure a reasonable balance of housing according to *occupancy type* ~~tenure~~ (such as conventional ownership, condominium, *limited-equity cooperative*, or rental), dwelling type (such as single-family or multi-family buildings), price, density, type of amenities, and location.

More specifically, the City has developed policies and programs to address the five major problems described in Chapters 3, 4, 5, 6, and 7 (substandard housing, overcrowded conditions, the problems of low- and moderate- income households, overconcentration of publicly-assisted housing, and discrimination in housing) and the special housing needs addressed in Chapter 8.

While the Housing Element mainly addresses the housing needs of low- and very low-income residents of Oakland, it should be stressed that the City supports the development of housing for all income levels. The City recognizes that the development of housing for higher income groups benefits all persons because additional units increase the availability of housing for all income levels and tend to lower housing costs of an impacted market. Because of severe funding constraints, the City has chosen to concentrate most of its housing funds toward the group which requires the most assistance: low- and very low-income persons.

Some programs do address the needs of moderate-income persons. For example, the City will issue mortgage revenue bonds to fund a homebuyer program directed toward moderate income persons. As stated previously, however, the majority of the programs described in the following pages address the needs of low- and very low-income persons.

HOUSING POLICIES AND PROGRAMS

This section will present the policies of the Housing Element, the corresponding programs designed to carry out these policies, the accomplishments of these programs between 1985-1990, and 1990-1995 program goals. Note that many of these programs address more than one goal. For example, a program which funds rehabilitation will not only contribute to alleviating the substandard housing problem, but it may also address the problems of overcrowded conditions and the problems faced by low- and moderate-income households.

ELIMINATING SUBSTANDARD HOUSING

Traditionally, there are two actions which can be taken to deal with substandard housing: rehabilitation and demolition. More importantly, however, ~~there~~ are the programs which prevent substandard conditions from occurring in the first place. The City undertakes a variety of preventative programs, including code inspection and home management counseling. Where preventative actions are not effective, the City supports rehabilitation efforts and considers demolition an action of last resort. Rehabilitation is less likely to disrupt residential neighborhoods and conserves the existing supply of the City's housing. Rehabilitation, however, is probably the most difficult action to undertake for it not only deals with the physical aspects of substandard housing units but also with associated economic and social problems. The City's programs are generally designed to encourage and assist investment in the rehabilitation of existing housing while removing only those structures which are considered economically infeasible for rehabilitation.

A wide variety of federal, state and local programs have been

implemented within Oakland to improve the condition of the existing housing stock. Unfortunately, direct federal financing of rehabilitation, such as Section 312 loans and support for rental rehabilitation with Section 8 rent subsidies, has been cut severely by the federal administration. Rehabilitation activities have also been successfully carried out by community-based, non-profit organizations in Oakland. Their efforts have been significant in generating community support for neighborhood improvement.

Substandard Housing Policies

The following presents City of Oakland policies dealing with substandard housing. Most of these policies are a response to the problems and obstacles ~~previously~~ identified in Chapter 3.

1. The City recognizes that housing is a valuable resource that should be carefully conserved and maintained and will take all necessary steps to prevent damage to the City's occupied or vacant residential property.
2. A variety of rehabilitation loan programs, together with counseling and other support services, will be offered within the City's community development districts.
3. Dilapidated housing units should be demolished only if they are economically infeasible to rehabilitate--even taking into account the availability of subsidies--and if adequate and affordable relocation housing is available for the occupants.
4. The City actively supports revision of income and property tax laws to encourage housing stock rehabilitation and to discourage the continuation of substandard housing.
5. The City vigorously discourages lending institutions from using "high risk" geographic areas (redlining)--rather than individual household credit--as a basis for screening, rejecting, or limiting home loan applications to buy or rehabilitate housing.
6. The City supports, through its community development program, activities to correct blighting conditions such as trash clean-ups, tree plantings, and paint programs.
7. The City encourages rehabilitation efforts which respect the architectural integrity of a building's original style.
8. The City supports and encourages programs to acquire and rehabilitate long-term vacant houses.

Substandard Housing Programs

The Office of Community Development administers housing rehabilitation programs to address the problem of substandard housing. OCD's Housing Rehabilitation Department administers rehabilitation programs for single-family dwellings and small multi-family projects using a variety of funding sources. OCD's Housing Development Services department administers rehabilitation programs for larger multi-family projects. The following is a listing of the programs and funding sources used to address substandard housing problems.

A. *Programs administered by OCD for the rehabilitation of single-family homes:*

1. Section 312 Rehabilitation Loans.

Program Responsibility: Office of Community Development (OCD) and HUD.

Program Description: The purpose of the Section 312 program is to provide below market rate interest loans to property owners to encourage rehabilitation in "declining" neighborhoods. The program provides 20-year loans at an interest rate of 3 percent per annum. Eligible participants are single-family owner-occupants with incomes below 80 percent of the area's median income. All others, including investor-owners of mixed-use, commercial, and apartment buildings up to 99 units, are eligible for loans with interest rates set by the yield of the U.S. Government securities (the current rate is approximately 9 percent). The maximum loan for residential properties is \$33,500 per unit and \$100,000 for nonresidential loans. The property must be located in one of the seven Community Development Districts.

Program Accomplishments: Between 1986 and 1990, a total of 99 units, representing \$1,854,150, were rehabilitated with funds loaned through the program.

Program Goals, 1990-95: While future funding for the Section 312 program is uncertain, the City will continue to pursue obtaining funds from the program. The Housing Rehabilitation Section of OCD has set a goal of funding the rehabilitation of 2,750 units over the next five years through the Section 312, Home Maintenance and Improvement Program, and Rental Rehabilitation Program. Because funding for the Section 312 program is sporadic, quantified goals for this program are difficult to establish, and the City does not anticipate that the Section 312 program will be a major contributor toward achieving this goal.

2. The Home Maintenance and Improvement Loan Program (HMIP)

Program Responsibility: OCD.

Program Description: The Home Maintenance and Improvement Program (HMIP) is designed to improve the quality of owner-occupied houses of low and moderate-income persons. The program increases the number of well-maintained, privately-owned homes by providing low-interest and deferred loans to rehabilitate existing owner-occupied one-to-four-unit family buildings. Loans may be used to correct health and safety violations, code deficiencies, and to carry out additional work to improve basic habitability of the building. The property must be located in one of the seven Community Development Districts.

HMIP also has a deferred payment loan program component which provides funds to very low income homeowners unable to qualify for interest-bearing loans. The loans are provided interest free. Funds can be used only for repairs required by code. In addition, funds may be used for access modifications.

Program Accomplishments: HMIP is one of the two most active programs of the Rehabilitation Services division of OCD. During the years 1986-1990, the City, through OCD, provided a total of 926 loans representing \$8,489,247.

Program Goals, 1990-1995: The Housing Rehabilitation Section of OCD will continue to administer the HMIP program. As stated previously, the section has established the goal of funding the rehabilitation of 2,750 units over the next five years. The goal for the HMIP program is to fund the rehabilitation of 750 units over the next five years.

3. HMIP - Vacant Housing Program.

Program Responsibility: OCD.

Program Description: This program provides funds for the acquisition, rehabilitation, and sale of former vacant and dilapidated homes to low and moderate-income families who agree to live in these houses for a minimum number of years. Community Development funds are used for operating, construction, and subsidy expenses, while first mortgages for the home buyers are provided through the Section 235 Program, banks, savings and loan institutions, and municipal bond programs.

Program Accomplishments: In conjunction with the currently inactive Urban Homesteading Program (administered by HUD), the Vacant Housing Program loans were used to rehabilitate 96 units representing a total of \$2,612,812 between the years 1986-1990.

Program Goals, 1990-1995: The Housing Rehabilitation Section of OCD will continue to administer the HMIP Vacant Housing Program. The section has set a goal of acquiring and rehabilitating 125 vacant units for resale over the

next five years.

4. Urban Homesteading Program (HUD 810).

Program Responsibility: ~~OCD and HUD.~~

Program Description: ~~This program utilizes vacant properties made available by HUD which are then conveyed to selected low and moderate income applicants for one dollar plus incidental fees. Homesteaders must agree to bring their homes up to code and reside in them for five years. Rehabilitation loans are made available.~~

Status: ~~Inactive~~

4. Self-Help Paint Program.

Program Responsibility: ~~OCD and Social Services.~~

Program Description: *The City provides eligible homeowners with free exterior paint, hand painting tools, and free instruction on how to paint. The home must be owner-occupied and located in a Community Development District, and the applicant must meet the income criteria. Very low-income elderly or disabled owners may have their home painted by contractors. This program provides free painting and weatherization services to low-income homeowners who meet certain eligibility criteria.*

Program Accomplishments: *Between 1986 and 1990, the paint programs served a total of 2,270 households at a total cost of \$915,049.*

Program Goals, 1990-1995: *The Housing Rehabilitation Section of OCD will continue to administer these programs. The goal for the Self-Help Paint Program is to deliver paint to 2,000 households over the next five years. The goal for the Free Paint Program is to assist 250 units over the next five years.*

5. Weatherization Program

Program Responsibility: *Office of General Services*

Program Description: *The Office of General Services administers the City's Energy Program. The Weatherization Program is one aspect of the Energy Program. The Weatherization Program provides free attic insulation, weather-stripping of doors, caulking, glazing, replacement of broken windows, and other minor repairs to low-income homeowners.*

Program Accomplishments: *Between 1986 and 1990, the weatherization program served 4,289 households.*

Program Goals, 1990-1995: The Office of General Services will continue to administer this program on a request basis.

6. Vacant Building Abatement Program.

Program Responsibility: OCD.

Program Description: This inspection program concentrates on seriously dilapidated vacant structures in an effort to evaluate whether the building can be rehabilitated--by the owner or the City--or must be demolished. It includes a "Clean up and Security" component to board up houses and clean premises, and a "Public Nuisance Demolition" component to demolish dilapidated buildings that cannot be rehabilitated. For more information regarding the activities of the Code Compliance Section of OCD and the accomplishments and goals of the section, see program B.5., "Code Compliance, OCD" below.

7. Home Management Counseling.

Program Responsibility: OCD

Program Description: This program provides housing services in the following areas: default and delinquency counseling, pre- and post-occupancy counseling for home buyers, tenant counseling, home ownership and home maintenance classes, assistance in processing applications for housing loan and grant programs, servicing of City loans, Urban Homestead Program activities, and the Section 8 Certificate and Voucher Program.

Program Accomplishments: Between the years 1986-1990, a total of 17,509 persons were served through these programs. A total of 6,803 persons participated in the Default and Delinquency counseling program, 3,086 persons were served by the Prospective Homebuyers program, 1,000 persons were counseled through the Post-Occupancy housing program, and 6,470 persons were served through Section 8 briefings. Housing Counseling Services, which administers the above listed programs, also provided general housing information and referrals to 59,555 persons and held 150 homebuyer workshops.

Program Goals, 1990-1995: Housing Counseling Services will administer the ongoing program as well as counsel clients who are interested in obtaining CALDAP-O loans and servicing HMIP loans. The five year goal of Housing Counseling Services is to counsel 2,500 clients for delinquency and default. Housing Counseling Services will also assist clients with obtaining CALDAP-O funds and service HMIP loans provided by the Housing Rehabilitation Section of OCD.

1. The Federal Housing Administration (FHA) mortgage insurance.

Program Responsibility: Private lenders and HUD/FHA.

Program Description: FHA is generally required to rehabilitate units which have been repossessed following foreclosures on FHA-insured loans. Some FHA units are sold "as is" for private rehabilitation and resale. FHA also has market rate loan insurance programs (Title I and Section 203(K) for home improvement loans.

2. Guaranteed Loans Veterans Administration (VA).

Program Responsibility: Private lenders and the VA.

Program Description: VA guarantees loans for the purpose of buying, repairing, rehabilitating, or refinancing homes owned or occupied by veterans. Because of the VA guarantee, the veteran may not be required to make a downpayment.

3. California Housing Finance Agency (CHFA); Homeownership and Home Improvement (HOHI) and Program Direct Lending (multi-family).

Program Responsibility: Private developers, lenders, and CHFA.

Program Description: CHFA is authorized to issue bonds and to make loans for the rehabilitation of existing multi-family housing. Through HOHI, it will also provide purchase and rehabilitation loans to low and moderate-income owner-occupants of single-family homes.

8. The Multi-Lender Mortgage Purchase and Rehabilitation Program.

Program Responsibility: OCD and participating lenders.

Program Description: The City issues tax-exempt bonds to raise funds for the origination of below-market-rate single-family home mortgages. This program serves the moderate-income homebuyer.

Program Accomplishments: The City did not issue bonds in the period between 1985 and 1990.

Program Goals, 1990-1995: The City will develop a \$30 million loan program for homebuyers. The program will offer low interest rate (approximately 7 percent to 7.5 percent), 30-year fixed rate loans to moderate income residents

of Oakland. Half of the funds will be used to provide loans to persons who will purchase new construction homes. The program is anticipated to begin in late 1991.

9. California Department of Housing and Community Development (HCD), California Housing Rehabilitation Program (CHRP).

Program Responsibility: HCD and OCD.

Program Description: Under the deferred loan program, the State provides the City with funds which are lent to low and moderate-income homeowners at below-market interest rates for rehabilitation purposes. Payments on loan principal and interest are deferred for five years or until the home is sold, whichever is first.

Program Accomplishments: The program was not active prior to 1989.

Program Goals, 1990-1995: The future availability of funds from the CHRP program is uncertain. The City will facilitate the submittal of applications from project sponsors in Oakland for the duration of the program.

B. *Programs administered by the City of Oakland for the rehabilitation of multi-family housing:*

1. Residential Hotel Rehabilitation Loan Program.

Program Responsibility: OCD

Program Description: Funds are available to Residential Hotel owners to rehabilitate residential hotels in Oakland in order to correct code violations and ensure basic standards of habitability. As a condition of receiving this reduced interest rate loan, owners must agree to rent a specific number of rooms at rents which are affordable to very low-income persons. The maximum loan amount is \$15,000 per unit.

Program Accomplishments: Between 1985 and 1990, loans were provided for the rehabilitation of two residential hotels: the Liberty Hotel (37 units) and the Madrone Hotel (32 units). A total of \$2.5 million has been appropriated for this program.

Program Goals, 1990-1995: OCD will continue to administer this program until the original allocation of \$2.5 million is exhausted.

2. Multi-Family Rental Rehabilitation Mortgage Revenue Bonds

Program Responsibility: OCD, OHA and private lenders.

Program Description: Prior to 1985, the City and the Housing Authority in cooperation with Bank of America sold \$16.6 million of tax-exempt mortgage revenue bonds to fund the rehabilitation of rental housing.

Program Accomplishments: A 1985 issue was used to finance Skyline Hills, a 299-unit development. Sixty-six of the units were set aside for low and very low income households.

Program Goals, 1990-1995: A future issue will be offered by the City in late 1991. The City will provide approximately \$20 million to developers for new construction and substantial rehabilitation projects.

3. Rental Rehabilitation Program.

Program Responsibility: HUD and OCD and private rental property owners.

Program Description: Under the Rental Rehabilitation Program (RRP), loans are made on a matching fund basis to finance the rehabilitation of privately-owned, primarily residential rental properties located in one of the seven Community Development Districts. The RRP loan can be used to finance up to 50 percent of the cost of rehabilitation or a maximum of \$8,500 per unit. The loan carries a 6 percent interest rate, deferred for a period of up to 15 years depending on the financing needs of the owner.

Program Accomplishments: The Rental Rehab Program is one of the most active programs of the Rehabilitation Services division of OCD. From 1986-1990, a total of \$4,242,358 was loaned to rehabilitate 1,087 units.

Program Goals, 1990-1995: The Housing Rehabilitation Section of OCD, will continue to administer the program. As stated earlier, the section has established an annual goal of funding the rehabilitation of 2,750 units over the next five years. The section has established the annual goal of funding the rehabilitation of approximately 190 units through the Rental Rehabilitation program.

~~1. Savings Associations Mortgage Company Inc. (SAMCO).~~

~~Program Responsibility: Member institutions.~~

~~Program Description: This organization represents approximately 60 Savings and Loan Institutions which has advanced roughly \$80 million in loans for low and moderate income multi-family housing.~~

4. Moderate Rehabilitation Section 8 Program.

Program Responsibility: Oakland Housing Authority (OHA) and HUD.

Program Description: In the "Mod-Rehab" Section 8 program, HUD allocates Section 8 contract authority to the OHA which administers the program. Eligible units receive minor to moderate rehabilitation which generally need not result in tenant displacement. OHA provides a rental subsidy equal to the difference between approximately 30 percent of the tenant's income and fair market rent upon completion of privately financed rehabilitation.

Program Accomplishments: Between the years 1985-1990, the Section 8 Mod Rehab Program was inactive.

Program Goals, 1990-1995: OHA will circulate a Request for Proposals in 1991. OHA will provide subsidies for approximately 200 units. HUD will provide the funds for this RFP in response to the Loma Prieta earthquake. At this time, it is not known if future allocations of funds from the federal government for the Mod Rehab program will be available; therefore, quantified goals are impossible to establish.

5. Code Compliance

Program Responsibility: OCD

Program Description: The Code Compliance Section of OCD provides code enforcement services for the City. Code enforcement provides minimum requirements for the protection of health, safety, welfare of the general public, and occupants of residential buildings. It has proven to be a strong tool for renters to compel landlords to provide adequate housing. The Code Compliance Section also services housing complaints, zoning enforcement, recyclable materials and scrapyard abatement, mandatory board-up of vacant homes, and clean-up of yards. These programs are ongoing functions of OCD.

Program Accomplishments: Between the years 1986-1990, Code Compliance declared 1,085 buildings as substandard or a public nuisance. The division also monitored the cleaning and securing of 1,100 properties. In addition, the division responded to 27,870 code violation complaints.

Program Goals, 1990-1995: The five-year goals for the Code Compliance Section are as follows: handle 32,500 housing code complaints, issue 750 Certificates of Occupancy within 30 days after receipt of complaint, secure 1,500 vacant buildings within 30 days of the "board-up request", initiate rehabilitation/reoccupancy in 70 percent of all units in 700 structures where Substandard and/or Public Nuisance actions were undertaken, eliminate

blighting conditions on 7,500 properties within 45 days of complaint, implement the Graffiti Abatement Program, and conduct 1,750 emergency inspections pursuant to the Drug Nuisance Abatement Program.

ELIMINATING OVERCROWDED CONDITIONS

The City's policies on overcrowding and housing production stress the City's role in encouraging and facilitating the private market in developing new housing. The City also works closely with nonprofit organizations that build or rehabilitate assisted housing. In response to cutbacks in federal programs, Oakland has turned to local sources of support for new housing including tax increment proceeds from redevelopment projects, targeting of Community Development Block Grant funds for new housing, city-owned surplus land, local mortgage revenue bonds, and mortgage credit certificates.

Overcrowding and Housing Production Policies

An adjustment in Oakland's housing supply to accommodate existing demands and to respond to future population changes in family size is needed. The major responsibility for the housing supply will remain in the private sector, but local government should be involved. The following policies outline those areas in which the City is able and willing to become involved.

1. The City encourages developers to construct a range of housing types, sizes, and prices proportionate to the household size and income characteristics of Oakland's present and projected population.
2. Recognizing that there may be an impact on Oakland's housing needs generated by new local and regional commercial development, the City shall gather relevant data and make it available to all interested parties, and, acting on that data, facilitate the production of new housing to meet identified needs whenever possible.
3. The City will continue to study the effect of economic growth and job creation on Oakland's housing market, including the demand for market-rate housing as well as for below-market-rate housing. The City will investigate programs which could specifically address this problem as more information becomes available.
4. The City encourages market-rate housing development and will facilitate such development by providing assistance

to developers and by expediting the review and application processing for desirable projects.

5. To promote the development of below-market-rate and other types of housing meeting special identified needs, the City will consider the use of regulatory concessions. These concessions might include density bonuses, parking adjustments, waiver of certain development fees, and other similar measures.
6. The City supports the production and conservation of sufficient numbers of assisted and market-rate housing units to meet the needs of Oakland's large families.
7. Condominium conversions ~~are encouraged as~~ *can be* a means of increasing housing choice, *but should only be approved* when it can be found that such conversions will not create a shortage or have other negative impacts on rental housing. The City will require that the sellers of condominium conversions assist and protect the rights of both existing tenants and new buyers.
8. The City will make every attempt to preserve the existing housing stock whenever possible and to limit the conversion of residential units to nonresidential uses.
9. The City will require that all new housing, including publicly-assisted housing, have the qualities and amenities which will assure that it remains a positive asset to Oakland's housing stock.
10. The City will cooperate with private housing producers wherever justifiable to reduce the overall cost of housing units.
11. The City supports, and will initiate when possible, the development of limited equity cooperatives and other nonprofit mechanisms as a means of reducing construction, selling, and reselling housing costs.
12. The City, where economically feasible, will cause to be relocated, rather than demolish, residential property acquired for public or private purposes and urges Federal and State agencies to use a similar approach.
13. The City encourages the construction of secondary units in accordance with the City's Zoning Regulations. The City will make available, to the public, information regarding funding sources for secondary units and will consider the use of Community Development Block Grant funds to assist the creation of secondary units for

occupancy by low- and moderate-income households.

14. Vacant and/or surplus ~~public~~ *publicly-owned* or institutional lands over one-half acre in size should be evaluated for their suitability for housing development ~~including with high priority given to assisted housing. before commitments are made for other land uses.~~
15. The City encourages well-designed mixed-use housing and nonresidential projects within the City's commercial zones, particularly in the Central District and on many of the City's major arterials.
16. The City encourages the re-use of vacant outmoded commercial and industrial buildings as joint living and work quarters, especially for members of the creative arts community.
17. The City encourages residential development on the Oakland Waterfront whenever such development is consistent with applicable state and local law and with environmental concerns, and is compatible with, and integrated into, all other surrounding development.

Overcrowding and Housing Production Programs

The Planning Department continuously monitors the changes in the housing supply including new construction, condominium conversions, demolitions, construction of new assisted housing, and volume of rental subsidies for existing units. Progress towards the five year goals in the Housing Element and the one and three year goals of the Housing Assistance Plan (HAP) is also periodically evaluated. The Housing Department of the Office of Community Development continues to make maximum use of federal and state housing grants and subsidies. Many innovative housing developments have been completed in Oakland.

More efficient and intensive use of the existing housing supply is another strategy for reducing overcrowding. City regulations *conditionally* permits the construction of secondary units in all single-family zones. ~~subject to a conditional use permit and certain size and parking standards.~~ Secondary units are an inexpensive way to make more efficient use of the existing housing stock, especially now that there is a greater need for smaller dwelling units. Adding a secondary unit can be a way for the elderly to increase their income and thus afford to stay in their family home. The main obstacle to more extensive use of secondary units is the high cost of home improvement loans. ~~As of October 1, 1985 there have been six applications for secondary units since July 12, 1983 when provisions for such units were added to the City's Zoning Regulations. All have been approved.~~

Another strategy that is being applied in Oakland to encourage more efficient use of the existing housing supply is the *homesharing roommate placement* services provided by Eden Council for Hope and Opportunity. Homesharing helps provide companionship, decreases isolation, reduces the cost of housing, and minimizes institutionalization for older adults.

1. Section 202/8 - Housing for the Elderly.

Program Responsibility: HUD and private nonprofit developers.

Program Description: This is a direct federal loan program for nonprofit organizations or cooperatives which want to produce housing for the handicapped, elderly, or developmentally disabled. The program provides a matching Section 8 allocation.

Program Accomplishments: Between 1985 and 1990, six projects located in Oakland were funded by the Section 202/8 program. These projects represent a total of 382 units.

Program Goals, 1990-1995: Although funding for the program is from HUD, the City participates in financing a portion of the projects. The City will continue to provide its support for future Section 202/8 projects.

2. ~~CHFA Direct Lending Program and HOHI Program~~

Program Responsibility: ~~CHFA and private lenders and developers.~~

Program Description: ~~CHFA provides direct below market rate loans to housing sponsors or developers to finance multi-family residential developments which will provide new housing to mixed income families. Through the HOHI Program, CHFA will provide lenders funds for the permanent construction/take-out financing of individual homes and small infill subdivisions.~~

3. ~~Limited Equity Coops.~~

Program Responsibility: ~~Private, nonprofit developers.~~

Program Description: ~~Nonprofit housing development corporations can obtain below market rate financing from the National Consumer Cooperative Bank or from housing revenue bond programs to finance coop developments. Projects are owned by the coop, and residents own shares in the coop and have rights to the occupancy of their unit. Rent paid goes to meet the project loan. Price and terms at which shares may be resold are determined by the coop and generally is less than their full market value, hence "limited equity."~~

2. Condominium Conversion Controls.

Program Responsibility: City Planning Department.

Program Description: The City's Subdivision Regulations require that developers seeking to convert apartment buildings into condominiums must produce one conversion right for every unit converted. Conversion rights are generated by adding rental units to the city's housing supply. Approved conversions must provide lifetime leases to elderly tenants; rent increases can be no greater than 75 percent of the C.P.I.'s rent component.

Program Accomplishments: Between 1985 and 1990, seven applications for condominium conversions, comprising a total of 24 units, were received. All applications were approved. The Subdivision Regulations require that only buildings of five units or more must produce conversion rights. Only one application, for eight units, was received from an owner of a building that had five or more units. Therefore, although 24 units were converted to condominiums, only eight conversion rights were produced.

Program Goals, 1990-1995: *The Planning Department will continue to enforce these regulations.*

3. Residential - Nonresidential Conversion Controls.

Program Responsibility: City Planning Department.

Program Description: The City's Zoning Regulations require that a Conditional Use Permit (C.U.P) must be obtained before a dwelling can be converted to a nonresidential use in a nonresidential zone. In order to grant the C.U.P., one of four specific findings must be made. In 1986, the regulations were amended to control the demolition of residential hotel units.

Program Accomplishments: *Between 1985 and 1990, there were five applications to convert a residential facility to a nonresidential use, and one application to demolish a residential hotel. All, except for one conversion, were approved.*

Program Goals, 1990-95: *The Planning Department will continue to enforce those regulations.*

~~5. California Homeownership Assistance Program (CHAP).~~

~~Program Responsibility:~~ ~~HCD and OCD.~~

~~Program Description:~~ ~~HCD provides funding for up to 49 percent of the cost of purchasing manufactured housing on single-family lots for eligible low and moderate income buyers.~~

4. Redevelopment Agency Housing Trust Fund

Program Responsibility: Oakland Redevelopment Agency

Program Description: This program is the main function of the Housing Development Section of OCD. Twenty percent of tax increment funds from the Redevelopment Area is allocated to the Agency's Housing Trust Fund and is available for the development of affordable housing. Approximately \$4 to \$5 million is available annually. These funds are provided to developers to finance the construction or significant rehabilitation of affordable housing for multi-family rental projects, single-family ownership and rental units, and residential hotels. These funds are leveraged with both public and private sources of financing.

Program Accomplishments: *The City has an excellent record promoting the development of affordable housing, either through financing the project, providing technical assistance, or both, to non-profit corporations. Between the years 1984-1989, OCD's Housing Development Services division participated*

in the construction or significant rehabilitation of 586 subsidized units.

Program Goals, 1990-1995: *The Five-Year Housing Development Plan sets goals for the development of housing for low- and very low-income persons for the period between 1990 and 1995. The Plan calls for the development of over 1,000 units for low-income persons over this period. The City, through OCD, will facilitate the production of the units by providing financing and technical assistance. The City will provide financing mainly through the Housing Trust Fund.*

5. Central District Development Program (CDDP) and Central District Housing Program.

Program Responsibility: *City Planning Department, OCD, and private consultants.*

Program Description: *Consultant studies were conducted which analyzed the potential impact of future downtown development on existing housing. Housing needs generated by new job creation, market demand for housing, potential sites and development strategies for new housing, and preservation of existing housing in the Central District were assessed and recommendations were made.*

Program Accomplishments: *City Council has not yet taken action on the recommendations.*

6. Predevelopment Loan Program.

Program Responsibility: *OCD*

Program Description: *Predevelopment loans are available for nonprofit housing developers and limited partnerships controlled by a nonprofit general partner which are developing housing projects located in Oakland. Projects must be located in Oakland and have at least 20 percent of the units earmarked for lower income persons. Applicants must secure matching funds equal to one-half of the requested loan amount. The maximum loan amount is \$35,000.*

Program Accomplishments: *The Predevelopment Loan Program has been active since 1988. From 1988 to 1990, a total of \$160,250 had been committed to six projects.*

Program Goals, 1990-1995: *Several applications for predevelopment loans are currently pending. Because of the lack of fiscal capacity of most non-profit developers, the City, through OCD, will continue providing predevelopment loans.*

A total of \$500,000 has been appropriated for this program. Because the program is a revolving loan fund, it is difficult to quantify the amount of funds to be loaned to developers over a five-year period. OCD estimates that the loan fund revolves every eighteen months. Therefore, it is possible that a total of approximately \$1.5 million can be loaned to developers. Additional appropriations for the program are not anticipated.

7. CDBG Housing Funds.

Program Responsibility: OCD

Program Description: The City provides CDBG funds, through the seven Community Development Districts, for predevelopment expenses and acquisition for small-scale housing development projects.

Program Accomplishments: *CDBG funds have been critical to the financing of affordable housing projects over the last five years. Between 1985 and 1990, CDBG funds have been used to participate in the financing of over 470 units in 16 projects. In addition, CDBG funds were used to finance land acquisition for four projects totalling 90 units. A small portion of these funds are structured as grants, but a majority of the funds are deferred loans. These funds are leveraged with private and public sources of funds.*

Program Goals, 1990-1995: *The City, through OCD, will continue to utilize CDBG funds for both housing and other community development activities. The Five-Year Housing Development Plan sets goals for the development of housing for low and very low income persons for the period between 1990 and 1995. The Plan calls for the development of over 1,000 units for low income persons over this period. The City, through OCD, will facilitate the production of the units by providing financing and technical assistance. CDBG funds will be an important source of funds which will help the City to meet its housing development goals.*

8. Assistance to Housing Developers.

Program Responsibility: OCD.

Program Description: *Staff of OCD provides various types of assistance to housing developers, mainly of subsidized housing. A list of specific sites that are both suitable for elderly and family housing and are consistent with the City's assisted housing policies and objectives is available and updated periodically. Other types of assistance are also provided. This program is ongoing and will be continued as a major function of OCD's Housing Development Section.*

9. Zoning Ordinance and Development Administration.

Program Responsibility: City Planning Department.

Program Description: The zoning ordinance, which regulates the quality, density, and location of housing in the City, is Oakland's overall housing development program. As part of its PUD controls, the City can require sponsors of large projects to provide housing as a part of the PUD project proposal.

Program Accomplishments: *At this time, the City has required one project sponsor to set aside affordable housing units.*

Program Goals, 1990-1995: *The Planning Department will continue to administer this program.*

10. Changes to the Zoning Ordinance Text and Map.

Program Responsibility: City Planning Department, City Planning Commission, and City Council.

Program Description: From time to time, changes are made to the Zoning Ordinance text and map that improve procedures or reflect changes in City policy.

11. Secondary Unit Ordinance.

Program Responsibility: City Planning Department.

Program Description: Oakland had adopted a secondary unit ordinance in accordance with State law. It permits the construction of secondary dwelling units in all single-family zones subject to a conditional use permit and certain size and parking standards. *A conditional use permit will be granted only if it meets all of the following criteria: (a) that the secondary unit will be clearly subordinate to the primary one-family dwelling in size, location, and appearance; (b) that the location, design, and site planning of the building, open areas, and parking will provide a convenient, attractive, and functional living environment, and will be compatible with the neighborhood and with public safety; and (c) that the shape and siting of the facility, and especially of any portions thereof which exceed one story in height, will be such to minimize blocking of views and direct sunlight from nearby lots and from other Residential Facilities in the surrounding neighborhood.*

It must also be within or attached to the existing residential structure, not increase the existing floor space by more than 10 percent, and be no less than 250 square feet and no more than 750 square feet; further, unless the lot contains three parking spaces, a new nontandem parking space must be

provided on the site.

Program Accomplishments: Between October 1, 1985 and January 1, 1990, 27 applications for secondary units were received. Twenty-two of the applications were approved.

Program Goals, 1990-1995: The Planning Department will continue to administer this ongoing program.

16. ECHO/Project Share

~~Program Responsibility:~~ Eden Council for Hope and Opportunity

~~Program Description:~~ Project Share provides homesharing matching services for people who want to live with others, counseling for people considering homesharing, and assistance in arranging group living situations. Homesharing helps provide companionship, decreases isolation, reduces the cost of housing, and minimizes institutionalization for older adults.

ADDRESSING PROBLEMS FACED BY LOW AND MODERATE INCOME HOUSEHOLDS

Increasing the supply of housing for low and moderate-income families has been a major effort of the City of Oakland for a number of years. However, the supply of housing available to these families is still primarily governed by private-market decisions. In response to an ever diminishing supply of low-income housing, public programs (mainly federal) have been used to stimulate production and to subsidize the cost. For today's low-income families, the public sector has the major responsibility of providing adequate housing.

Policies Directed Toward Low and Moderate Income Households

The following policies are based on the objective of maintaining and upgrading the quality of Oakland's housing which serves low and moderate-income households. These policies also aim to encourage the construction of new market-rate housing and new subsidized housing. However, the policies and objectives recognize that, for the foreseeable future, federal and state resources for housing subsidies are going to be extremely limited; they are not expected to be a high priority at either governmental level.

1. Oakland will take maximum advantage of the full variety of

available federal and state housing subsidy programs and will seek out and develop new financial resources for below market-rate housing development.

2. Publicly-assisted housing programs should be used in Oakland to emphasize homeownership opportunities for low- and moderate-income families.
3. The City will work with private developers to include a reasonable percentage of housing units affordable by low-to-moderate-income households within all future developments. The City will also use its influence to procure subsidies for these housing units, including the waiver of certain development fees.
4. The City supports housing subsidy programs that allow low-to-moderate-income renters to eventually become homeowners.
5. Oakland believes all Bay Area communities should plan and zone their areas of influence to accommodate a fair share of the region's housing need and, in particular, should make greater efforts to facilitate publicly-assisted housing and rental housing within their jurisdictions.
6. Whenever feasible, housing for low- and moderate-income households should be included in all publicly-sponsored redevelopment projects.
7. The City's existing stock of residential hotels is a vital housing resource for low-income households and should be preserved whenever feasible and consistent with other City objectives.
8. Oakland is committed to providing and maintaining emergency shelter and services for the homeless. The City will utilize City, state, federal and private funding sources to help support existing shelters and to create new facilities.
9. *The City recognizes that nonprofit housing development organizations have contributed substantially to the efforts to produce affordable housing and encourages their continued participation in reaching the City's affordable housing goals.*
10. *At least 20 percent of tax increment funds generated by all City of Oakland redevelopment projects will be appropriated for low- and moderate-income housing.*
11. *The City, through its Residential Rent Arbitration Board, will control the rents of occupied units. It will monitor and annually review general rent increase rates and will provide recourse for those parties who may feel a proposed*

increase is unjust

Low and Moderate Income Housing Programs

Many of the housing programs listed under the goals of eliminating substandard housing and overcrowded conditions directly address the problems faced by low and moderate income households. Programs such as the Residential Rehabilitation Loan Program, the Predevelopment Loan Program, the Housing Trust Fund, and CDBG Housing Funds have contributed to the development of over 1,000 units for low and moderate income households over the period 1985-1990.

PROGRAMS FOR VERY LOW AND LOW INCOME HOUSEHOLDS

Oakland has always encouraged the development of publicly-assisted housing. The amount of subsidized rental housing built in Oakland is summarized in Tables 31B, 23 and 31C, 24 ~~and in this Chapter and Table 32. in Chapter 8.~~

In addition to new construction, further housing assistance has been provided through federal programs which give rent supplements to landlords so that low-income households can afford to rent existing housing. The current federal programs of this type are the Section 8 Existing Housing Certificate and the new experimental Housing Voucher Programs. These programs are discussed in more detail later in this chapter 8. Section 8 rental assistance has been relatively successful in Oakland, but there are problems with its use. They include:

1. Federal limits on fair market rents which will be subsidized are often too low. This forces recipients to find housing in the lower priced areas of the City, reinforcing racial and neighborhood patterns.
2. Low vacancy rates and high market rents discourage landlords from participating in Section 8. The program has worked best where vacancy rates are high enough to give landlords an incentive to go through the bureaucratic process of leasing their units to Section 8 tenants.
3. ~~The cost to the federal government of the Section 8 existing program has been very high, averaging \$3,750 per case in 1981 in California according to a recent Rand Report on Housing assistance in the state. Its high cost is the primary reason for the experiments with housing vouchers. It is also the reason that the percentage of income that the tenant must pay for rent has been recently increased from 25 to 30 percent. Oakland was selected to participate in a five-year demonstration program for housing vouchers. They will work somewhat~~

TABLE 31B

NEW PUBLICLY-ASSISTED RENTAL HOUSING FOR VERY LOW- AND
LOW-INCOME HOUSEHOLDS BY TYPE AND YEAR BUILT: OAKLAND, 1989

| | TOTAL |
|---|-------|
| Built Before 1960 | 916 |
| Constructed Between 1960-69 | 2,430 |
| Constructed Between 1970-79 | 3,554 |
| Completed Between 1980 to September 1984 | 1,134 |
| Completed Between September 1984 to 1989 | 604 |
| TOTAL | 8,638 |

Source: Oakland City Planning Department
Oakland Office of Community Development

TABLE 31C

PUBLICLY ASSISTED HOUSING BY PROGRAM, BEDROOMS, AND PROJECTS
OAKLAND MARCH, 1990

| PROGRAM AND TYPE | TOTAL UNITS | 0 | 1 | 2 | 3 | 4+ | TOTAL PROJECTS |
|---|----------------|------|------|------|------|-----|-------------------|
| <i>OAKLAND HOUSING AUTHORITY</i> | | | | | | | |
| <i>Conventional</i> | | | | | | | |
| 1. Family | 1316 | 0 | 328 | 561 | 357 | 70 | 7 |
| 2. Elderly | 100 | 32 | 68 | 0 | 0 | 0 | 1 |
| <i>Turnkey</i> | | | | | | | |
| 3. Family | 1619 | 0 | 0 | 156 | 1380 | 83 | 252 |
| 4. Elderly | 283 | 0 | 281 | 22 | 0 | 0 | 3 |
| <i>Section 8 - Moderate Rehabilitation</i> | | | | | | | |
| 5. Family | 370 | 61 | 80 | 135 | 78 | 16 | N.A. |
| 6. Elderly | 52 | 10 | 17 | 19 | 4 | 2 | N.A. |
| <i>Existing Section 8/Vouchers</i> | | | | | | | |
| 7. Family | 4935 | 139 | 636 | 2129 | 1644 | 387 | N.A. |
| 8. Elderly/Handicapped | 1293 | 152 | 638 | 404 | 84 | 15 | N.A. |
| <i>Aftercare</i> | | | | | | | |
| 9. Family | 74 | 10 | 36 | 18 | 8 | 2 | N.A. |
| 10. Elderly | 22 | 3 | 8 | 10 | 1 | 0 | N.A. |
| Total OHA Family | 8314 | 210 | 1080 | 2999 | 3467 | 558 | |
| Total OHA Elderly | 1750 | 197 | 992 | 455 | 89 | 17 | |
| TOTAL | 10064 | 407 | 2072 | 3454 | 3556 | 575 | |
| <i>OTHER PUBLICLY ASSISTED</i> | | | | | | | |
| <i>Section 202</i> | | | | | | | |
| 11. Elderly | 403 | 339 | 62 | 2 | 0 | 0 | 2 |
| <i>Section 8/202</i> | | | | | | | |
| 12. Family | 22 | 0 | 18 | 4 | 0 | 0 | 2 |
| 13. Elderly | 481 | 33 | 446 | 2 | 0 | 0 | 5 |
| <i>Section 8 - New Construction</i> | | | | | | | |
| 14. Family | 40 | 0 | 10 | 16 | 12 | 2 | 1 |
| 15. Elderly | 818 | 5 | 807 | 6 | 0 | 0 | 8 |
| <i>Section 8 - Substantial Rehabilitation</i> | | | | | | | |
| 16. Family | 89 | 0 | 10 | 33 | 33 | 7 | 1 |
| 17. Elderly | 315 | 77 | 237 | 0 | 0 | 0 | 1 |
| PROGRAM AND TYPE | TOTAL UNITS | 0 | 1 | 2 | 3 | 4+ | TOTAL PROJECTS |
| <i>Section 221(d)(3)</i> | | | | | | | |
| 18. Family | 484 | 23 | 94 | 92 | 259 | 16 | 2 |
| 19. Elderly | 66 | 12 | 54 | 0 | 0 | 0 | 1 |
| <i>Section 202/236</i> | | | | | | | |
| 20. Elderly | 565 | 450 | 115 | 0 | 0 | 0 | 9 |
| <i>Section 236</i> | | | | | | | |
| 21. Family | 996 | 133 | 312 | 294 | 128 | 131 | 9 |
| 22. Elderly | 699 | 522 | 175 | 1 | 1 | 0 | 6 |
| <i>Section 220/8</i> | | | | | | | |
| 23. Family | 75 | 10 | 25 | 30 | 10 | 0 | 1 |
| <i>Miscellaneous</i> | | | | | | | |
| 24. Family | 266 | 187 | 21 | 48 | 5 | 5 | 11 |
| 25. Elderly | 8 | 0 | 8 | 0 | 0 | 0 | 1 |
| Total Other Family | 1972 | 353 | 490 | 517 | 445 | 181 | 27 |
| Total Other Elderly | 3355 | 1438 | 1904 | 11 | 1 | 0 | 33 |
| TOTAL | 5327 | 1791 | 2394 | 528 | 446 | 161 | 60 |
| <i>TOTAL PUBLICLY ASSISTED</i> | | | | | | | |
| FAMILY | 10286 | 563 | 1570 | 3516 | 3912 | 719 | N.A. |
| ELDERLY | 5105 | 1635 | 2896 | 466 | 90 | 17 | N.A. |
| SUBTOTAL | 15391 | 2198 | 4466 | 3982 | 4002 | 736 | N.A. |
| <i>Less 77 OHA Existing Section 8</i> | | | | | | | |
| Units in Other Assisted Projects | 77 | | | | | | |
| TOTAL | 15314 | | | | | | |

SOURCE: OFFICE OF COMMUNITY DEVELOPMENT

~~like food stamps in that the family will be free to search anywhere for housing of their choice and can also choose to rent for more than the federal market guidelines by paying the difference themselves. Initially, the program will be targeted to very low-income families, displaced persons, and persons occupying substandard housing.~~

3. In recent years, the Section 8 Existing Housing Certificate Program has been supplemented with the Housing Voucher Program. Both the Section 8 Existing Housing Certificate and the Voucher Programs have been restricted to very-low-income households (50 percent of the median or below). Those households that are low income, that is, that fall between 50 percent of median income and 80 percent of median income, are ineligible for housing assistance under these programs.

PROGRAMS FOR MODERATE-INCOME HOUSEHOLDS

Generally, new construction and rental assistance programs are targeted at the very-low and low-income household. In a high-cost area like the San Francisco Bay Area, moderate-income households with incomes from 80-120 percent of the area's median are also subject to serious housing problems.

Housing assistance for this group has focused on homeownership assistance. There are no rental assistance programs for moderate-income households, though undoubtedly many are forced to overpay to get an adequate unit. Homeownership assistance usually takes the form of below market interest subsidies. The State has taken the lead in assistance to moderate-income families trying to buy their first home. Examples of programs for the moderate-income group are:

- Section 235 mortgage interest subsidy (Federal)
- CHFA Mortgage Revenue Bonds (State)
- Oakland's Mortgage Revenue Bonds (City)
- Cal First Home Buyers (Proposition 5) Mortgage Revenue Bonds with an initial buy-down (State)
- Mortgage Credit Certificates (City - County)

Lower-income families who already own their own home are provided housing assistance through the City's housing rehabilitation loan program. The City's below-market-rate interest loans primarily serve homeowners with incomes below 80 percent of the Bay Area's median income. The deferred loan and grant program reaches the low- and very low-income homeowner.

All of these programs are explained in more detail *below*. ~~in Chapter 8.~~

1. Section 8 Program for Existing Housing.

Program Responsibility: HUD and *Oakland Housing Authority (OHA)*.

Program Description: Low-income families receive Section 8 certificates from OHA and locate landlords willing to rent units and enter into Section 8 contracts. ~~HUD~~ OHA pays landlords the difference between approximately 30 percent of the tenants' income and the contract rent which can be no higher than the maximum allowable rent level set by HUD.

Program Accomplishments: Between 1985 and 1989, Oakland was able to obtain 448 additional certificates to reach a total of 4,520 households participating in the program in 1989.

Program Goals, 1990-1995: Because of future funding uncertainties from the federal government, program goals are difficult to establish. The City is interested in pursuing alternative programs in conjunction with the Section 8 program. Further elaboration on the City's activities are described in the following programs.

2. Section 8 Voucher Program.

Program Responsibility: HUD and OHA.

Program Description: In recent years, the Section 8 Existing Housing Certificate Program has been supplemented with the Housing Voucher Program. Like the Certificate Program, a housing voucher is assigned to a low-income family who finds a landlord willing to rent a unit at rent negotiated by the two parties. OHA establishes a "Payment Standard" for the unit which cannot exceed the fair market rent for the unit set by HUD, but which can be lower. OHA pays the landlord the difference between 30 percent of the tenants's income and the Payment Standard. The tenant pays the landlord the difference between the OHA payment and the negotiated contract rent. The tenant, therefore, can pay more or less than 30 percent of tenant's income depending on whether the contract rent is more or less than the Payment Standard.

Program Accomplishments: The voucher program encompasses three different programs: voucher demonstration, voucher formula, and voucher rental rehabilitation program. Between 1985 and 1989, the demonstration program assisted 370 households; the formula program assisted 772 households; and the rental rehabilitation program assisted 358 households. In addition, the Aftercare program assisted 98 elderly or disabled person households. The Aftercare program consists of services for the disabled and handicapped coupled with Section 8 vouchers. Clients are referred to the OHA by social service agencies. A total of 98 vouchers were provided

as a result of this effort during 1990.

Program Goals, 1990-1995: Because the City has a significant waiting list for Section 8 vouchers and certificates, OHA has been extremely active in its attempts to meet this need. Unfortunately, because of uncertain future funding by the federal government, no projections can be made regarding the future goals of the program. However, OHA is interested in attempting to link Section 8 vouchers with services to create "service enhanced housing", much like the Aftercare program. Model programs would include: 1) the Homeless Family Program, with funds from the Robert Wood Johnson Foundation; 2) Section 8 linked with services from agencies which address substance abuse, mental illness, etc. issues; and 3) Family Self-Sufficiency program, which allows families to receive Section 8 vouchers for a period up to five years. The intent of this program is to provide families with services they need -- such as child care, adult education, and job placement -- which would enable them to become financially independent of the Section 8 program.

~~3. Oakland Multi-Lender Mortgage Purchase and Rehabilitation Program.~~

~~Program Responsibility: OCD and participating lenders.~~

~~Program Description: In addition to the Multi-Lender Program's rehabilitation function discussed above, below market rate financing for the purchase of new and existing homes is made available to prospective low and moderate income buyers.~~

~~3. Mortgage Credit Certificate (MCC) Program.~~

~~Program Responsibility: Alameda County~~

~~Program Description: This program can help first-time homebuyers in Alameda County. MCC recipients may take 20 percent of their annual mortgage interest payments as a credit against their federal income tax, thus increasing their ability to qualify for a mortgage loan and reducing their effective mortgage interest rate approximately two percentage points.~~

~~Program Accomplishments: Since the program's inception in 1989, 48 certificates have been issued on a total of \$5.14 million in mortgages. Because of high housing costs, only approximately 20 percent of the certificate holders are low-income families, and 2 percent of the certificate holders are very low-income families.~~

~~Program Goals, 1990-1995: The City will aggressively seek to obtain a larger share of MCC's for its low-income population. The City is attempting to obtain an additional \$13.2 million in certificates for use in the City.~~

~~5. Section 235 - Homeownership for Low Income Families.~~

~~Program Responsibility: HUD and participating lenders and/or developers.~~

~~Program Description: HUD reduces mortgage interest rates to very low levels to enable low and moderate income buyers to purchase inexpensive homes; income and mortgage/price ceilings are set by HUD. Price ceilings are too low for Oakland so additional subsidies are necessary.~~

4. Publicly-owned Housing.

Program Responsibility: HUD and OHA.

Program Description: The Oakland Housing Authority (OHA) administers the City's public housing program. OHA receives annual federal contributions to ~~develop and~~ maintain *and renovate* multi-family dwellings which are rented to eligible low-income families and elderly persons at rents not to exceed approximately 30 percent of their adjusted incomes.

Program Accomplishments: *From 1985 to 1990, OHA modernized 44 units. In addition, 18 units were lost because a project was reconfigured to eliminate some one-bedroom units and convert them to two-bedroom handicap-accessible units.*

Program Goals, 1990-1995: *Because of the uncertainty of future funding, quantified goals are difficult to establish.*

7. Cal-Vet Loan Program.

Program Responsibility: ~~State of California.~~

Program Description: ~~This program provides long term housing loans at low interest rates for California veterans. It is also in the process of implementing a conditional commitment program which will allow Cal-Vet loans to be used to rehabilitate homes in conjunction with the purchase.~~

5. Tenant Access Program.

Program Responsibility: OCD.

Program Description: Grants from CDBG funds are available to make residential rental property accessible to disabled persons. The property must be located within the seven Community Development Districts. *The City enters into a contract with the tenant and the landlord to implement access modifications. The City participates in the design and oversees the construction of the modifications. The program is administered by Access California, a section of OCD which provides technical assistance regarding access issues.*

Program Accomplishments: From 1985 through 1990, the Tenant Access Program has responded to 733 inquiries. 136 applications were received in that period. The City entered into 45 contracts with landlords and tenants, all of which have been completed. From 1990 to 1991, the program responded to 75 inquiries. In addition, the program received 16 applications, entered into ten contracts, and completed three projects.

Program Goals, 1990-1995: OCD has set a five-year goal of modifying 50 units for handicap accessibility.

6. Residential Rent Arbitration Board

Program Responsibility: OCD

Program Description: The Board was created by City Council ordinance in October 1980. The Board acts as a legal mechanism to prevent excessive residential rent increases. It also works to encourage open communication and to foster a climate of understanding between Oakland landlords and tenants.

Program Accomplishments: In 1989, 199 petitions were filed, with 121 petitions resolved (78 of the petitions resolved resulted from petitions submitted in previous years). Staff consulted with over 3,800 persons and made 3,300 referrals. The demand for the program's services has been growing. In 1990, 302 petitions were filed, with 284 petitions resolved, 18 from previous years. 4,880 consultations were made, as well as approximately 3,700 referrals.

Program Goals, 1990-1995: The goal for the Rent Arbitration Board is for the Board to handle 2,500 petitions over the next five years.

7. Emergency Housing Program

Program Responsibility: OCD

Program Description: This program addresses the needs of the homeless by funding seven emergency shelters, four voucher programs, and the Emergency Shelter Coordination Project of the Emergency Services Network of Alameda County. The City has developed and will continue to develop new emergency shelter facilities and transitional housing facilities. It will also continue to check and work with Alameda County to develop safe sites and to provide other emergency services for the homeless. More information regarding the Emergency Housing Program is provided later in this chapter.

8. Community Alliance for Syndicated Housing, Inc. (CASH, Inc.)

Program Responsibility: OCD and CASH, Inc.

Program Description: The City assists a non-profit corporation, CASH, Inc., to provide low-income, tax-credit partnership investments to local corporations. CASH, Inc. is the general partner of Oakland Housing Partnership Associates, a limited partnership which invests equity funds in locally-sponsored affordable housing projects.

Program Accomplishments: Since its inception in 1989, CASH, Inc. has raised \$3.9 million. In addition, CASH, Inc. was instrumental in raising an additional \$2.4 million for investment in the California Hotel.

Program Goals, 1990-1995: CASH, Inc., expects to raise over \$6 million in investment funds for low-income housing projects in Oakland in 1991. Over the next five years, the City intends to continue the program if the federal government extends the Low Income Housing Tax Credit (LIHTC) program beyond 1991. If the LIHTC program is extended, the City has established a goal of raising \$5 million annually over the next five years for investment in low-income housing projects.

9. Housing Development Action Grant (HDG's)

Program Responsibility: HUD and OCD

Program Description: HDG's are grants provided to local jurisdictions for the purpose of providing financing for housing for very low and low-income persons. Oakland obtains the funds from HUD and in turn loans the funds to non-profit housing developers. Oakland has been extremely successful in obtaining HDG's. Nine projects have been funded by HDG's.

Program Accomplishments: Between 1985 and 1990, a total of six new construction projects representing 279 units have been funded with HDG's. In addition, 265 units in three projects were rehabilitated with HDG funds.

Program Goals, 1990-1995: HUD has discontinued the HDG program.

10. California Natural Disaster Assistance Program (CALDAP)

Program Responsibility: HCD and OCD

Program Description: The CALDAP program was implemented by the State in response to the 1989 Loma Prieta earthquake. Loans are provided to owners of earthquake-damaged buildings. The program has two components: the CALDAP-O program for owner-occupied structures, and the CALDAP-R program for rental projects. The CALDAP-O program provides loans up to \$30,000 to homeowners. The CALDAP-R program provides loans such that the total debt to value ratio does not exceed 100 percent. The City, through OCD, provides assistance to loan applicants, packages the loan applications, and submits them to HCD.

Program Accomplishments: Between 1989 and 1990, \$111,400 has been provided through the CALDAP-O program. The City, through OCD, will submit applications for earthquake-damaged multifamily and residential hotel buildings to the CALDAP-R program.

Program Goals, 1990-1995: OCD will continue to package applications until funding for the program ends. It is uncertain if the State legislature will allocate additional funds for the program for FY 1992. The Housing Rehabilitation Section has set a goal of financing the rehabilitation of 210 units by the end of 1991, although the uncertainty of funding beyond 1991 makes it extremely difficult to set goals for this program.

11. Disaster Rehabilitation Loan Program

Program Responsibility: OCD

Program Description: The purpose of the program is to assist owners or lessees of multifamily housing projects (20 units or more) damaged by the 1989 Loma Prieta earthquake. Eligible applicants are those owners of buildings which have been posted by the City as unsafe. This program provides loans to owners who have been denied funds from other sources of financing.

Program Accomplishments: The fund had a total budget of \$5 million for rehabilitation projects. As of January 1, 1991, the program has loaned approximately \$4 million to two rehabilitation projects, the Touraine Hotel and the Oaks Hotel.

Program Goals, 1990-1995: OCD will continue to administer the program until funds from the original appropriation of \$5 million are exhausted.

EQUALIZING THE DISTRIBUTION OF PUBLICLY-ASSISTED HOUSING

Distribution and Location of Publicly-Assisted Housing Policies

The following sets forth groups of policies at three levels: (a) citywide, (b) neighborhood, and (c) project development. The policies are general position statements regarding various aspects of assisted housing. Policy distinctions are also made between housing for families and for housing for the elderly.

Overall Policy

The following policy represents an overview policy expressing the general intent of the more detailed policies that will follow. This policy also substitutes for the related policy previously adopted by the City.

1. Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices and to fit harmoniously into its immediate surroundings without unduly impacting the neighborhood, its schools, or other public facilities serving it.

Citywide Policies

The following citywide distribution policies present guidelines for determining an assisted housing capacity and priority for each of the City's census tracts. These policies take into account the various types of assisted housing programs discussed previously.

2. To give a greater choice of housing locations for low and moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will generally be allowed only in census tracts which have remaining capacity for such housing.
3. The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing.
4. Publicly-assisted elderly housing may be developed throughout the City, limited only by the remaining capacity for additional assisted housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing may be developed, family housing should have priority since site locations available for this kind of household are more limited.

Neighborhood Locational Policies

The neighborhood locational policies are concerned with how assisted housing and its residents can best be assimilated into the neighborhood; in addition, they are intended to assure an adequate level of services and a pleasant and healthy environment for the residents of both the new assisted housing and the surrounding neighborhood. The policies deal separately with housing for the elderly and housing for families except for land use and zoning considerations which are applicable to both.

5. Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use, ~~and~~ density, ~~and~~ appearance. Its conformity or nonconformity to existing zoning regulations, while important to consider, should not necessarily preclude consideration of a project.

6. Publicly-assisted housing for the elderly should be within walking distance of a bus stop, a supermarket, a drugstore, and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime, or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor, and a social center should also be considered in assessing the location of a proposed project.
7. Residents of publicly-assisted family housing should have convenient access to transportation, shopping, park and recreation areas, child care centers, and elementary schools within the neighborhood.
8. Assisted family housing projects should be adequately spaced to ensure that the negative consequences of impacting a relatively small area (neighborhood) will not occur.

Neighborhood Spacing Policies

Spacing policies are designed to disperse family housing units within the neighborhood. There are two levels at which these policies operate. Block spacing policies establish the necessary distances between assisted housing developments within city blocks and blockfaces. Neighborhood spacing guidelines establish the maximum number of units and minimum distances necessary between assisted units within small areas that are quite a bit larger than a block but one in which significant interaction occurs.

9. In general, no more than one parcel containing assisted family housing should occur in the same block or in the two block faces having a common street frontage (the area abutting both sides of a street between two intersecting streets).

Project Development Policies

The purpose of the project development policies is to achieve a high quality in the design and appearance of the development to ensure that it will provide maximum satisfaction to its residents and be compatible with the surrounding neighborhood. The guidelines are specifically concerned with project size and site and project design.

10. The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New family housing projects to be owned and operated by the Oakland Housing Authority should, however, be limited at any

one location to 12 bedrooms in any combination up to six units.

11. The location, design, and site planning of assisted housing development should provide a functional, convenient, and attractive living environment for its occupants.
12. The buildings, grounds, and landscaping of assisted housing should be developed and maintained at a level which would not adversely affect the livability or appropriate development of abutting properties or the immediately-surrounding area.

Programs that Address the Overconcentration of
Publicly-Assisted Housing

There are several ways in which these policies, in conjunction with their related operating standards (see Appendix A) can be used. First, they can be used by housing developers. Second, they can be used by various agencies such as the Housing Authority, the Planning Commission, and HUD under existing administrative review procedures.

1. Review of Applications for Federal Housing Assistance.

Program Responsibility: HUD and OCD.

Program Description: Under Section 213 of the Housing and Community Development Act of 1974, the City has the opportunity to object to HUD's approval of any assisted housing application on the grounds that the application is inconsistent with the ~~potential housing sites indicated in the City's Housing Assistance Plan (HAP).~~ City's policies.

2. The City of Oakland as the CHFA Local Housing Agent.

Program Responsibility: City of Oakland.

Program Description: In approving the City as a local housing agent, the State has accepted the City's policies and standards for the location and distribution of assisted housing as part of the City's official affirmative housing plan.

3. Review of Publicly-Assisted Housing.

Program Responsibility: OCD and Department of City Planning.

Program Description: The City evaluates proposed assisted housing projects by the *above* policies. ~~and standards contained in Chapter 6 of this Housing Element.~~

ELIMINATING DISCRIMINATION IN HOUSING

Open Housing Policies

Attainment of the City's basic housing goal and the successful implementation of its related programs will depend significantly on the City's ability to remove artificial barriers preventing any family from having access to any part of the housing supply, within or outside the City. The legal control of discriminatory practices is not now within the purview of the City. The City has, however, through the adoption of the following policies, established a positive official position which will be conducive to the alleviation of the problem.

1. All housing in the City should be available equally to all persons without restrictions based on race, color, ethnicity, religion, sex, age, source of income, *arbitrary income criteria*, physical disability, national origin, marital status, ~~or~~ sexual preference, *family size, presence of children* Acquired Immune Deficiency (AIDS), or AIDS related conditions (ARC).
2. The City will take all necessary and appropriate steps to achieve a completely open housing market; the City calls upon all citizens and upon private industry to build, finance, sell, and rent properties without regard to race, color, ethnicity, religion, sex, age, source of income, physical disability, national origin, marital status, *arbitrary income criteria*, ~~or~~ sexual preference, *family-size, presence of children*, Acquired Immune Deficiency (AIDS), or AIDS related conditions (ARC).
3. The City calls upon regional governmental agencies and East Bay county and local governments to develop and implement a regional "fair housing" program.
4. The City supports State and Federal fair housing legislation and urges more intensive efforts on their part to enforce conformance to established laws. The City also supports private local fair housing organizations that receive and investigate discrimination complaints.
5. Whenever feasible, the City of Oakland, through its regulatory powers, will require that potential residential developers and sponsors prepare affirmative action marketing and management programs to implement federal, state, and local policy regarding open housing.
6. The City supports State and local law prohibiting housing discrimination against households with children and will provide support for the enforcement of these laws.

7. The City supports programs for the removal of architectural barriers in order to make more housing suitable for the disabled.

Open Housing Programs

Equal housing availability and choice is basically a metropolitan issue. Efforts dealing with housing production, the proper distribution of housing between City and suburb, and open occupancy enforcement must be approached at all governmental levels if such efforts are to be successful. The City of Oakland cannot be expected to fully cope with housing discrimination, even in its own jurisdiction, without aggressive action on the part of the state and federal government. Programs for combating housing discrimination are described ~~in detail in Chapter 8.~~ below.

1. Federal Fair Housing Enforcement.

Program Responsibility: HUD

Program Description: HUD enforces the 1968 Civil Rights Act which prohibits discrimination in housing and guarantees the right of fair housing. This act complements the 1866 Civil Rights Statute which requires equal protection under the law.

2. Home Mortgage Disclosure Act of 1975.

Program Responsibility: Federal Home Loan Bank Board and OCD.

Program Description: This act requires the disclosure of mortgage loan data by depository institutions that both make federally related mortgage loans and are located in central cities. The act requires that sufficient information be provided to enable governmental and community groups to determine whether depository institutions are fulfilling their obligations to serve the housing needs of the community in which they are located. The City, through OCD, handles— maintains disclosure reports for public inspection.

~~3. Community Reinvestment Act of 1977 (CRA).~~

~~Program Responsibility: Federal regulatory agencies.~~

~~Program Description: Financial institutions are required by this law to publish a CRA statement delineating the local community and listing the types of credit that the lender will extend to the community. Information based upon CRA requirements may be used by federal financial regulatory agencies to deny applications by unresponsive lenders seeking to branch or merge.~~

4. State Fair Housing Enforcement.

Program Responsibility: ~~State of California.~~

Program Description: ~~The Rumford Fair Housing Act, enforced through the State Fair Employment Practices Commission, is the governing legislation which deals with discrimination in publicly-assisted housing, property acquired through public action, FHA- and VA-financed property, most multi-family units, and virtually all owner-occupied single-family units.~~

5. State Anti-redlining Actions.

Program Responsibility: ~~State of California.~~

Program Description: ~~Title 10 of the California Code prohibits savings and loan associations from denying mortgage loans because the subject property is in a less than desirable neighborhood.~~

3. Home Counseling.

Program Responsibility: ~~OCD.~~

Program Description: ~~A section of OCD provides information and referral on fair housing and open housing laws to Oakland residents, property owners, and real estate brokers.~~

3. Open Housing in Large New PUD Developments.

Program Responsibility: City Planning Department.

Program Description: The City Planning Department can require that residential developers and sponsors of large PUD subdivisions prepare affirmative action marketing and management programs to implement Federal, State, and local policy regarding open housing.

4. The Oakland Affirmative Housing Plan.

Program Responsibility: City Planning Department.

Program Description: The State of California has adopted the City publication "Oakland Publicly-Assisted Housing: Distribution and Location" as the City's affirmative housing plan. The officially adopted policies and procedures in the report are duplicated in Chapter 6 of this Element.~~above.~~

5. Oakland Housing Authority.

Program Description: The Oakland Housing Authority has adopted an affirmative action plan "to promote fair housing policies in the public housing community and to assist in the integration of non-

integrated communities through the scattered site program."

~~10. Alameda County Legal Aid Society.~~

~~Program Description: This organization provides assistance in enforcing laws prohibiting redlining and housing discrimination and in efforts to ensure that Oakland's burden of low-income housing is shared by surrounding cities.~~

6. Operation Sentinel.

Program Responsibility: *Operation Sentinel.*

Program Description: Operation Sentinel serves as a centralized complaint center for allegations of housing discrimination for the Bay Area. Funds from the City of Oakland have been used to support their activities in Oakland and to fund outreach and public awareness of fair housing laws. Operation Sentinel provides the following services: investigation of housing discrimination cases, mediation services, counseling and legal assistance for landlord/tenant cases, public education and outreach, and maintenance of a hotline telephone service.

8. Housing Rights, Inc.

Program Responsibility: *Housing Rights, Inc.*

Program Description: Housing Rights, Inc., provides fair housing services, concentrating on fair housing for children. Housing Rights, Inc., receives CDBG funds to support their activities in Oakland. The organization provides the following services: investigation of housing discrimination cases involving children, legal assistance for families facing housing discrimination, information and referral services, and public outreach and education.

9. Center for Independent Living

Program Responsibility: *Center for Independent Living*

Program Description: The Center for Independent Living provides services to handicapped persons. These services include counseling, transportation services, and housing placement. The Center is partially funded with funds from the City of Oakland.

~~12. Housing Rights for Children Project.~~

~~Program Responsibility: BANANAS, Inc.~~

~~Program Description: This program assists in the promotion of open~~

~~housing for children, provides general counseling concerning fair housing for children, handles referrals regarding the City's child discrimination ordinance, and provides guidance and counseling to tenants seeking protection under State and local laws.~~

ADDRESSING SPECIAL HOUSING NEEDS

This section provides information regarding the programs which the City of Oakland has developed to address the needs of individuals households with special characteristics.

The Homeless

The goal of the City is to develop permanent solutions to prevent and/or alleviate homelessness. This will be accomplished by identifying, developing, and coordinating private, public, and nonprofit sector resources and programs. The City is committed to the development and execution of policies and programs promoting and expanding the full continuum of services which facilitate the reintegration of the homeless as independent, adequately housed, contributing members of society. To this end, the City has identified a three-tiered approach to meeting the needs of the homeless; this approach is consistent with Government Code Section 65583 requiring identification of "adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development...of emergency shelter and transitional housing".

The first tier is the provision of emergency shelter/short-term housing with some supplemental services. Shelters provide the homeless with immediately needed services: bed, food, clothing, and shelter and some supportive services. Emergency shelters are a short-term solution to a long term problem whose answer does not lie solely in the provision of emergency shelter. For the chronically homeless, the dormitory style environment of an emergency shelter is not conducive to their re-establishing their independence. The provision of emergency shelter is a stop gap measure within a continuum of services needed in order to break the cycle of homelessness.

At this tier, the goal is to meet immediate shelter needs, so that homeless persons are not forced to live on the streets. The City of Oakland approves yearly funding to emergency housing providers from its general fund for this purpose. In addition, funds are obtained from the state and from the federal Stewart B. McKinney Act programs. The City of Oakland presently funds 11 nonprofit community based organizations which address these needs. Three provide housing vouchers, while eight provide emergency shelter

with supportive services to the homeless. The organizations are as follows:

- 1) The Salvation Army has a facility for families consisting of 13 rooms with 43 beds and lockers for 38 people;
- 2) A Safe Place provides 20 beds for battered and abused women and their children;
- 3) Berkeley/Oakland Support Services (BOSS) (Oakland Homeless Project) is a 33-bed shelter for emotionally and mentally disabled homeless individuals;
- 4) Women's Refuge provides 28 shelter beds to battered women in crisis and their children;
- 5) East Oakland Community Project operates a 75-bed facility for single men and women (currently for earthquake victims);
- 6) Homeless Project for Pregnant Women and Children provides shelter for homeless pre-partum women;
- 7) Star Shelter for the Homeless provides 35 beds and three meals a day for men;
- 8) Travelers Aid Society of Alameda County provides vouchers and supportive services;
- 9) East Oakland Switchboard provides vouchers, food, clothing, and other supportive services;
- 10) Project Outreach provides vouchers, food and clothing; and
- 11) ECHO provides rental assistance as well as assistance to persons seeking permanent housing.*

The City, through OCD, contracts for a total of 63,122 bednights (shelter and voucher). The vouchers pay for stays in local hotels or motels and are usually a week to two weeks in duration. The disbursement of bednights for FY 1990-1991 was as follows:

The Healthy Babies Project runs a shelter for homeless pregnant women and teens. They were contracted to provide 1,822 bednights of shelter and supportive services in the form of counseling (drug, nutrition, parenting, etc.) and benefit advocacy.

The City, through OCD, funds three agencies to distribute vouchers: (1) Travelers' Aid Society (TAS) with 2,414; (2) Project Outreach with 798; and (3) East Oakland Switchboard with 1,300.

The rest of the contracted bednights are for shelter stays in the City's four funded shelters: (1) East Oakland Community Project -- 30,475, (2) B.O.S.S. -- 14,457, (3) Salvation Army -- 1,040, and (4) Star Shelter -- 6,565; and in two women's shelters: The Women's Refuge with 2,116 bednights and A Safe Place, which is for battered women, with 3,135.

The City is working with developers to create additional shelters. Housing for Independent People, Inc. (HIP) is developing a shelter and support service center. HIP will execute a contract with Alameda County which will pay for the provision of services. HIP will lease the building to Berkeley Oakland Support Services (BOSS) and Oakland Independent Support Center (OISC). The shelter will provide approximately 30 beds as well as support facilities. The City will also fund a shelter operated by Catholic Charities. The shelter will provide fourteen sleeping units. The City will also fund the rehabilitation of the East Oakland Shelter, which will provide 80 units. This shelter is currently operated by the City and is in need of some renovation.

The second tier of the City's approach to meeting the needs of the homeless is the provision of transitional housing, the purpose of which is to maximize the ability of the homeless to live independently within a permanent housing environment and to provide the homeless with the necessary life skills to allow for their successful reintegration into society as contributing and self-supporting members.

The City has leased six houses from HUD and has purchased a seventh one; in a joint venture with the County, the City is also pursuing the development of a multi-service center which has a transitional housing component. The program is designed to enable homeless persons to develop life skills necessary to be self-supporting and independent. Selected participants will be able to live in these units for up to eighteen months, with extensions if necessary. Individual service contracts will be developed with homeless participants that will allow them to break the cycle of homelessness and insure that, when they leave the program, they have the capacity to create a stable living environment because they have the skills necessary to maintain ongoing employment, housing, and care for themselves and their families.

The City currently subsidizes seven transitional units. A joint venture between Dignity Housing West and Travelers Aid Society operates two single-family units and one multi-family project with three units. East Oakland Community Project (EOCP) operates two single-family units. EOCP will develop two additional units in the Fall of 1991.

The City is also in the process of rehabilitating four units to provide additional transitional units. At this time, a service provider has not been selected for these four units. In addition, City Council has approved providing funds to Hope Housing Development Corporation for the development of 14 transitional units.

The third tier of the approach to ending homelessness is the further development of permanent housing affordable to low-income persons. The City of Oakland has made the production of housing affordable to low- and very low-income persons a high priority. This third tier is addressed elsewhere in the Housing Element.

Additional measures that the City may consider in the future may involve the evaluation and possibility of appropriate flexible departure from existing land use policies, without disrupting neighborhood character, to take advantage of unique opportunities to develop emergency shelters and/or transitional housing through the conversion of abandoned warehouses and surplus school sites to house the homeless.

The Elderly

Oakland has assigned a high priority to the development of subsidized elderly housing projects. As of ~~September 1984~~ March 1990, the City, through a variety of federal subsidy mechanisms, was assisting ~~5,203~~ 5,105 elderly households. ~~A total of 1,005 subsidized units for the elderly have been constructed since 1980.~~ In recognition of the large number of elderly households whose needs still remain unmet, Oakland established a goal in its ~~1982-85~~ 1988-91 Housing Assistance Plan that elderly and handicapped households would receive 34 percent of the City's federal allocation of Section 8 renter assistance.

The Handicapped

There are two funding programs to alleviate the housing crisis for Oakland's disabled, both part of the City's Tenant Access Program (TAP). TAP was initiated and is operated by Access California, a division of the Office of Community Development, and uses funds obtained from the U.S. Department of Housing and Urban Development (HUD). One program provides funding for construction of handicapped-accessible housing for one to three units. The second program, which is designed to increase the accessibility of residential property to disabled tenants, provides funding for retrofitting existing structures and for converting ground level garages and other storage areas into one and two-bedroom apartments.

Large Families

In recognition of the unavoidable problems large families face in the rental market, Oakland is seeking solutions that would allow such families to become homeowners. HCD's California Homeownership Assistance Program (CHAP) is being used in Oakland to develop manufactured housing for large families with low and moderate

incomes. The City provided tax-exempt, bond-financed mortgage funds at a 10.5 percent interest rate for combination with State HCD-provided equity to enable 12 low- and moderate-income families to achieve homeownership. Additional units will be developed with the availability of State funding.

Families with a Single-Parent Head-of-Household

While Oakland does not have any housing programs that are specifically directed toward meeting the needs of low-income single-parent-headed households, many receive assistance through the Section 8 Existing Housing Program. There is one project, however, that the City is pursuing on behalf of the project sponsor, "Dignity Housing West, Inc." The project is targeted for occupancy by indigent single parent heads of household, with children, who will be required to participate in the counseling and job training offered on the site. The proposal calls for the construction of 27 hotel-type units with kitchens in two structures, with daycare, counseling, and multipurpose tenant facilities on the ground floor.

A number of single parent head-of-households have two or more children. Therefore, it is critical that the City sets as a high priority the development of appropriate rental housing for both large families and single-parent heads-of-households.

Residential Hotels

Oakland has undertaken efforts to protect and preserve the remaining residential hotel stock. In 1985, the City Council accepted from the Residential Hotel Task Force a set of recommendations aimed at preserving the supply of residential hotel units. Soon thereafter, the City amended the Zoning Regulations to require a Conditional Use Permit prior to conversion or demolition of a residential hotel. Subsequent legislation required owners to certify that they have referred tenants to available, comparable replacement housing prior to displacing tenants in order to upgrade a hotel.

In addition to regulatory measures, the City and the Redevelopment Agency have also sought to encourage and facilitate the rehabilitation of the residential hotel stock. The costs of purchasing and rehabilitating a typical hotel building can be high due to both the high land value and the considerable cost involved in rehabilitating older, deteriorated buildings suffering from deferred maintenance. Nonetheless, with adequate financing, it is possible to renovate these buildings while preserving their affordability to very-low-income households. Renovation of these hotels has proven to be cost effective compared to the cost of constructing new housing for very-low-income persons.

The Oakland Redevelopment Agency has established a Residential Hotel Rehabilitation Loan Program to provide low-interest loans to owners seeking to repair their buildings. In return for favorable financing terms, owners must agree to keep a portion of the units affordable to low-income households for at least 15 years. The Redevelopment Agency has also provided funds to nonprofit housing development corporations to acquire and rehabilitate three vacant residential hotels. These funds have been used to successfully leverage State, Federal, and private funds to assist with the cost of rehabilitation.

Disaster Relief Housing

Since the October 1989 earthquake, two shelters were added to serve earthquake-displaced persons. The combined maximum capacity of these earthquake shelters was 230. In April 1990, the Mercy Manor shelter was closed down, reducing the number of available beds for the earthquake-displaced to approximately 100.

The City is also currently administering the following programs to deal with the impact of the disaster:

* Natural Disaster Emergency Shelter Program - The City received an allocation of \$696,400 to operate shelter facilities for 100 displaced earthquake victims. The County of Alameda was awarded \$906,000 for vouchers and funding for the Rental Deposit Guarantee Program.

* California Natural Disaster Assistance Program (CALDAP) - Under contract with the State of California, the City is administering a program to provide deferred loans for the rehabilitation of owner-occupied and rental housing damaged by the earthquake.

* Disaster Rehabilitation Loan Program - The Redevelopment Agency has committed up to \$5 million to provide loans for the repair of multi-family structures. The program requires that assisted units be affordable to very-low-income households for 15 years.

* City of Oakland - The City has allocated \$150,000 from the General Fund for use by emergency services providers who experienced an increase in their operational costs as a result of the earthquake.

* Alameda County Homeless Trust Fund - Emergency service providers received \$100,000 from this fund, which is administered by the County of Alameda, to provide additional vouchers.

* The American Red Cross - The American Red Cross awarded the City and County \$4.7 million dollars for the development of a multi-service center to aid the earthquake displaced.

The October 1989 earthquake brought home the necessity for a citywide plan to provide housing on an emergency basis. The City of Oakland Emergency Plan has a section on "Care and Shelter Operations" which describes the organizational and operational policies and procedures required to meet the food, clothing, and shelter needs of people on a mass care basis during major natural disasters, technological incidents, and nuclear defense emergencies. Emergency mass care includes the provision of:

- * Emergency lodging for disaster victims in public or private buildings.
- * Food and clothing for persons in emergency mass care facilities.
- * Preparation for the occupancy and operation of fallout shelters in the event of a nuclear incident.
- * Assurance of an orderly transition from mass care, to separate family living, to post-disaster recovery.

The local Care and Shelter Coordinator, who is a member of the Emergency Management Staff, has the following responsibilities for coordinating local government resources:

- * For large disasters, arrangements should be made for all suitable buildings--other than those being used for other emergency functions--to be used for lodging. Schools are the most preferred facilities for lodging since they are public facilities and can accommodate a large number of persons. Churches are also appropriate since they are often large and have feeding facilities on the premises.
- * Arrangements should be made in advance with owners or managers of many facilities for use in large disasters and after small disasters that require a number of different sites.
- * Arrangements should also be made before and during a disaster, if possible, for backup shelter should the threat change location (for example, a wind shift after a hazardous material spill).
- * In large disasters, commercial lodging facilities, such as motels and hotels, should be reserved for the infirmed who require special accommodations and conveniences.
- * It is imperative that the list of lodgings be kept up to date.

Emergency relief housing is essential to minimize the impact of disasters on the people of Oakland community. It saves the City money and resources and, in some instances, saves lives. It is the City's safety net to lessen the disruption of disasters in the

city.

Community Development Corporations

Community (or local) Development Corporations (CDC) have made significant contributions to the development of the housing in Oakland for low to moderate-income residents and senior citizens. According to the Office of Community Development status report for July 1984 - September 1989, CDC-initiated projects have resulted in approximately 495 housing units being constructed and occupied for the period. Another 548 units were under construction, 415 units were in the predevelopment phase, and 367 units were pending.

There are basically two types of Community Development Corporations in Oakland. The first type is comprised of independent organizations such as the East Bay Asian Local Development Corporation, the Spanish Speaking Unity Council, and Jubilee West. The second type consists of CDC's which are tied to a Community Development district. All projects that these CDC's engage in emanate from the Community Development District Board. The Elmhurst Local Development Corporation, North Oakland Community Development Committee, Inc., and San Antonio Community Development Corporation are examples of this type of CDC. In most cases, all of their funding comes from Community Development Block Grant funds. The section entitled "Proposed Projects" in this chapter contains projects in which CDC's are currently involved. The following is a complete list of local nonprofit housing development organizations now operating or developing housing projects in Oakland.

1. Allen Temple Development Corp.
2. *Beth Eden Housing Development*
3. *Bonita House, Inc.*
4. Bridge Housing Corp.
5. *Catholic Charities of Oakland*
6. Central East Oakland Economic and Housing Corp.
7. *Christian Church Homes of Northern California*
8. *Dignity Housing West*
9. East Bay Asian Local Development Corp.
10. *East Bay Habitat for Humanity*

11. *East Oakland Fruitvale Planning Council*
12. *Eden Housing*
13. Elmhurst Local Development Corp.
14. Evergreen Terrace Housing Organizations
15. *Housing for Independent People, Inc.*
16. Jubilee West
17. North Oakland Community Development Committee, Inc.
18. *North Oakland Community Housing*
19. Oakland Community Housing, Inc.
20. Oakland Neighborhood Housing Services, Inc.
21. Organized People of Elmhurst Neighborhoods
22. J.L. Richards Terrace Housing Corp.
23. San Antonio Community Development Corp.
24. *Satellite Senior Homes*
25. Spanish Speaking Unity Council
26. *St. Mary's Elderly Corporation*
27. *The Rose of Sharon Senior Homes, Inc.*
28. *United Together Inc.*
29. West Oakland Economic Development Corp.

QUANTIFIED HOUSING OBJECTIVES

~~The City establishes the following objectives for the five-year period between 1985 and 1990.~~

- ~~A. Net addition to Oakland's housing supply: 4,375 units~~
- ~~B. Increase in subsidized units:~~
 - ~~1. Moderate income: 2,300 units~~

~~2. Low income: 1,075 units~~

~~C. Number of existing units to be given rehabilitation assistance:~~

~~1. Moderate income: 0 units~~

~~2. Low income: 2,450 units~~

The following establishes the City's quantified housing objectives for the five-year period between 1990 and 1995

A. Net addition to Oakland's housing supply: 2,000 units.

B. Increase in subsidized units

| | | |
|----|------------------|------|
| 1. | Moderate income: | 501 |
| 2. | Low income: | 286 |
| 3. | Very low income: | 355 |
| | TOTAL: | 1142 |

C. Number of existing units to be given rehabilitation assistance

| | | |
|----|------------------------|------|
| 1. | Moderate income: | 0 |
| 2. | Low & very low income: | 2250 |
| | TOTAL: | 2250 |

The 2,000-unit figure for "net addition to Oakland's housing supply" is the maximum that the City feels can be built within the five-year period. It is based on the City's experience with new construction over the last 20 years and on federal, state, and local monies available to assist in the development of subsidized housing. Additional information on subsidized housing is set forth in the next section.

HOUSING ACTION PLAN

~~Uncertainties regarding future interest rates and the availability of State and Federal subsidies make the task of preparing a comprehensive action plan more difficult than would otherwise be the case. The Action Plan for the years 1985 through 1990 therefore represents a best estimate of the maximum number of households that can be assisted and assisted units that can be constructed and rehabilitated given the constraints under which the City must operate.~~

The Housing Action Plan for the years 1990 to 1995 has been prepared by taking into consideration the present climate for housing subsidies at the federal and state level. In recent years the federal government has eliminated many programs which provided

funds for the construction of housing. In addition, state money is very limited and its availability is sporadic. The Action Plan represents the best estimate of the maximum number of households that can be assisted and the maximum number of subsidized units that can be constructed or rehabilitated given the constraints under which the City must operate.

Past Performance Levels

Table 32 summarizes Oakland's accomplishments over the last five years for total new housing construction, new subsidized units, and households receiving rental assistance, and over the last four fiscal years for units rehabilitated.

Table 32 summarizes Oakland's accomplishments over the last five years for new housing construction, housing rehabilitation, new subsidized units, and households receiving rental assistance.

Evaluation of New Construction Performance:

Table 33 compares the actual numbers of housing units added between 1980 and 1985 with the City's goals for this period and with the needs established by ABAG for Oakland.

In the aggregate, the total units completed is short of the City goal by 345 units and of the ABAG figure by 322 units. This is commendable progress considering the slump in housing starts in 1982 and the prevailing high interest rates over the five year period. However, the breakdown by income level indicates that 53 percent (1,264 units) of the net gain was in state and federally subsidized housing for lower-income persons. In fact, the City exceeded its goal in that category by 264 units. Many of these units received Section 8 rental subsidies and thus were financially feasible to build. However, the federal government is no longer funding Section 8, New Construction, and its replacement program (HODAG grants) is not expected to produce as many units.

The deficiency of 628 units (only 260 short of the ABAG figure) in the moderate income category must be explained. The 122 units shown as completed are owner-occupied, single-family homes subsidized by various federal, state, and local programs (such as Section 235, CHAP, CDBG, and mortgage bond financing). Unfortunately complete records of the buyers' incomes are not readily available, so it was assumed the occupants were of moderate income (although some probably were of lower income). Also some occupants of new market-rate housing developments are of moderate income, but since there is no data available on the incomes of these households, it was assumed that they were all of above-moderate incomes. Despite these statistical flaws, the shortfall does reflect a deficiency in the housing production system. Moderate-income households' needs are not being met by either the private housing development industry or by government programs. The private market apparently cannot produce either ownership or

TABLE 32

OAKLAND'S PAST PERFORMANCE: 1985-1989

| | TOTAL |
|--|-------|
| NEW CONSTRUCTION | |
| New Units Produced | 2,067 |
| Net Increase in Housing Stock | 1,717 |
| NEW SUBSIDIZED UNITS (New Construction and Substantial Rehab) | |
| State 6 | 6 |
| State 12 | 12 |
| Total Subsidized Units | 586 |
| TOTAL SUBSIDIZED UNITS | 604 |
| HOUSING ASSISTANCE RENTAL SUBSIDIES (Increase in Section 8 Existing and Vouchers) | |
| Section 8 Existing | 448 |
| Voucher Demonstration | 370 |
| Voucher Formula | 772 |
| Voucher Rental Rehab | 358 |
| Aftercare | 98 |
| HOUSING REHABILITATION | |
| Owner-Occupied Units: | |
| * City's HMIP Program | 926 |
| * Vacant Housing | 96 |
| NHS Loans | 30 |
| * Section 312 | 99 |
| Rental Units: | |
| * Rental Rehabilitation | 1,087 |
| Moderate Rehab | 482 |

* Figures are for the period 1986-1990.

~~rental units affordable by the moderate-income household. When interest rates are high and unstable, it is especially difficult. The private developer must build for the higher-income market to assure his profit. There are few government programs for moderate-income home buyers, and there are no rental assistance programs for them. State and locally-sponsored mortgage revenue bond financing for home purchases have proven very popular in Oakland. However, while below-market bond financing has enabled some moderate-income families to buy existing homes, it has not resulted in new home construction priced for the moderate-income market, at least in Oakland. It is possible that revenue bond financing may, in the future, be a more effective tool in producing new, moderately-priced, multi-family rental housing.~~

Table 33 compares the actual number of housing units added between 1985 and 1989 with the City's goals for this period and with Oakland's needs as established by ABAG. In the aggregate, the total units completed is short of the City goal by 2,658 units and of the ABAG figure by 3,168 units. Furthermore, the total number of new subsidized units produced in Oakland between 1985 and 1989 shows that the City did not meet that goal. A total of 604 new subsidized units were added to the housing stock during this period. This compares with the 1,134 new subsidized units produced during the first half of the decade. This reflects the 75 percent reduction in the federal government's funds for housing assistance. In comparing Table 33 from the previous housing element which covered the period 1980 through 1984, the majority of the new subsidized units produced were produced through federally subsidized housing programs. For the time period 1985 to 1989 this is not the case. Instead, the new subsidized units were constructed using local and state money. Although the City has a strong financial commitment to increasing the number of subsidized units in Oakland, it is not possible to meet the demand without federal assistance.

It is important to note that there were roughly 430 subsidized units completed in 1990 which are affordable to households of very low, low, or moderate income. When these units are added to the number of subsidized units for the period 1980-1990, it is evident that Oakland is close to meeting ABAG's goals.

In a report entitled, "Housing Development Report, Meeting the Challenge: Cities that Build Affordable Housing", the Bay Area Council stated that Oakland had produced 75 percent of its low-income housing needs for the 1980s (including the years 1980 through 1990) which was the best record of any city in the region. The report cited Oakland's strong financial support through the City's Redevelopment Agency Housing Trust Fund.

Rental Assistance Performance: HUD allocated subsidies for low-income elderly and families under the Section 8 Existing Housing program at a much lower level than the City had anticipated.

TABLE 33

ACTUAL INCREASE IN HOUSING UNITS COMPARED
TO CITY GOALS AND TO NEEDS DETERMINED BY ABAG
1985-1989

| | Actual | CITY GOALS Number | Difference | ABAG DETERMINATION Number | Difference |
|-------------------------------|--------|----------------------|------------|------------------------------|------------|
| Net Increase in Housing Units | 1717 | 4375 | -2658 | 4885 | -3168 |
| Increase in Subsidized Units | 604 | 3375 | -2771 | 2498 | -1894 |

~~ed. Over 1,000 units of new contract allocations was expected, as shown in the last Housing Element Action Plan for 1980-1985; however, as Table 32 shows, only 462 additional allocations were received due to cutbacks in HUD's budget.~~

Rental Assistance Performance: The Section 8 Existing Housing program has been greatly reduced but supplemented with the Housing Voucher Program. In this area, Oakland, through the Oakland Housing Authority, was able to provide more housing assistance through rental subsidies than in the previous five-year period. For the period 1980 through 1984, the total increase in rental subsidies was 462. In this five-year period, 1985-1989, the increase in rental assistance was 2,046. These numbers demonstrate the shift in the federal government's housing assistance away from the production of new housing to rental assistance for individual households.

Evaluation of Housing Rehabilitation Performance: Oakland has made steady progress in the management and expansion of the City's own housing rehabilitation programs and in the use of State and local supplementary funding sources for the rehabilitation of rental properties. The City's Home Maintenance and Improvement loan output averaged 276 loans and grants per year. The City made maximum use of HUD Section 312 loans for both owner-occupied and rental rehabilitation when HUD sporadically made funds available. A total of 1,677 owner occupied homes were rehabilitated during the last four fiscal years--or an average of 419 per year.

~~The City also developed the administrative capacity to manage a rental rehabilitation program. Some funding was obtained under the State's SB 966 program. The Loans-to-Lender program resulted in almost 1,000 units of rental housing being rehabilitated. In 1983, the City/Bank of America multi-family mortgage revenue bonds became available. In the first year of the program's operation, 313 units were funded of which 290 benefitted lower-income tenants. One hundred and ten units were subsidized with a special allocation of HUD rental assistance payments. In total, 1,965 rental units were rehabilitated under various programs over the last four years, an average of 491 units per year.~~

Evaluation of Housing Rehabilitation Performance: Oakland has continued its progress in the management and expansion of the City's own housing rehabilitation programs. However, the level of funds from certain sources, such as the Section 312 Program, were not as high as anticipated. The goal for the five year period 1985-1989 was the rehabilitation of 2,421 homes. Despite reduced levels of funds, Oakland was able to offer rehabilitation assistance to 2,102 households over the period 1986-1990. Although this time period does not coincide precisely with the five year goal period of 1985-1989, it is apparent that Oakland has met a significant portion of its goal. An average of 420 units per year were assisted through the City's Home Maintenance and Improvement

Loan Program, Rental Rehabilitation Program, and Section 312 Program. This level of assistance is commendable given the reduction in funds available from the federal government.

Anticipated Subsidized Housing Activity

The volume of subsidized housing production that Oakland experienced from 1980 through 1984 of 1,256 units--or an average of 251 units per year--is not expected to continue. The primary reason is the death of Section 8 rental assistance subsidy for new and substantially rehabilitated lower-income housing. While Oakland was successful in the competition for the first round of HODAG funding in October, 1984 (\$2.755 million was committed to help fund 142 units), HODAG and its companion Rental Rehabilitation grants will not be funded by Congress on the same level as the old Section 8 programs. Without the long term rent subsidies that the federal government formerly provided, substantial local subsidies are required to produce lower-income housing in Oakland. Oakland has resorted to using tax-increment funds, CDBG grants and loans, and contributions of city-owned surplus land to make up for the lack of federal subsidies. A multi-family mortgage revenue bond issue for new rental construction is now being prepared. Interest rates are, of course, another variable factor which affects the City's ability to produce lower-income housing but is entirely beyond the control of the City. The nation's economic experts cannot agree on the future trends in interest rates. Even the size of the federal deficit has an effect on Oakland's housing production. Mortgage revenue bonds, while extended by Congress until 1988, are an indirect contributor to the deficit and, as such, are likely to be prohibited if the deficit grows too large. While Oakland continues to use State housing subsidy programs, the funds are limited and the competition is intense.

A summary of major proposed subsidized housing developments that are likely to be completed within the next two to three years is presented below. These projects represent 596 units of lower-income housing and at least 114 units of moderate and above moderate-income housing.

I. New Subsidized Rental/Coop Housing

A. Projects Approved:

1. Oaks Hotel, 587 15th Street, 81 units.

Rehabilitation of an historic hotel to provide 81 lower-income, single-occupancy units with restaurant and commercial space. OCHI is the developer and funding sources are: a \$405,000 loan from City HODAG funds, a State Special User Housing Rehabilitation Program grant (SUHRP), a loan from the City Center Replacement Housing Fund, and possible syndication. Construction is to start in 1985.

2. San Antonio Apartments, 20th Avenue and East 14th Street, 20 units.

OCHI is building 20 lower-income rental apartments on a site bought by the City. Funding sources include: CDBG for site purchase, a \$400,000 loan from City HODAG funds, City Center tax increment funds, and City multi-family revenue bond financing. Construction should start in 1985.

3. Nueva Vista, 37th Avenue and East 14th Street, 30 units.

OCHI is constructing a 30-unit limited equity cooperative for low and moderate-income families. Funding sources are: CDBG for land costs, a \$600,000 loan from City HODAG funds, City Center tax increment funds, and City multi-family revenue bond financing. Construction is underway.

4. Foothill Plaza, 6301-6327 Foothill Boulevard, 54 units.

Twenty percent of the units in this privately-sponsored 54-unit rental apartment development will be rented to lower-income households because of a \$1.35 million loan of City HODAG funds, thus lowering the project's costs.

B. Projects Awaiting HUD Funding:

1. Beth Eden/Ecumenical, 35th and MacArthur, 40 units.

The Beth Eden Baptist Church proposes to build 40 units of elderly rental housing on a City-owned parcel. Funding sources include: a site cost write-down from the City, a loan from tax increment funds, and HUD Section 8/202 mortgage financing and rent subsidies. Their first application for federal subsidies was rejected in 1984.

2. Greek Orthodox, on property adjacent to church, 49 units.

This is a church-sponsored elderly housing project. The sponsors have contributed the site and a cash subsidy. The City will commit tax increment funds provided federal funding is obtained. Their first application for HUD Section 8/202 funds was rejected in 1984.

C. Other Rental Housing Developments In Process:

1. East Bay Asian Local Development Corporation (EBALDC), no site yet, 140 units.

This nonprofit community group intends to develop 140 units of family housing near Oakland's Chinatown. Seventy units will be affordable by very low and lower-income families. The City has committed \$4 million in tax increment funds for site acquisition and multi-family revenue bond financing. Additional funding sources are needed. Negotiations for an option on a site should be

~~completed by the end of 1984.~~

~~D. Private Projects With Revenue Bond Financing:~~

~~———— Oakland is in the process of preparing for the sale of \$15.4 million in Multi-Family Mortgage Revenue Bonds for new rental housing. In addition to the publicly-supported developments mentioned above, several privately-sponsored rental projects will be eligible for this favorable long-term financing. In return for the below-market financing, 20 percent of the rental units must be affordable to lower-income tenants for at least 10 years.~~

~~II. New Subsidized Ownership Housing~~

~~1. 35th Avenue Surplus Land, 31 units.~~

~~Two acres of surplus City-owned land will be used for 34 units of owner-occupied housing of which 31 units will be sold to low and moderate-income families. A developer has already been selected.~~

~~2. CHAP Manufactured Homes, 5 units.~~

~~In late 1984, Oakland received a commitment from the State for \$168,000 in home-equity subsidies under the CHAP program. The City will contract with a private developer to build approximately five manufactured homes for sale to lower-income families under this program.~~

~~3. NHS Owner Built Homes - III, 73rd Avenue and Rudsdale, 8 units.~~

~~NHS is requesting CDBG funds to help subsidize Phase III of their successful owner-built housing program. They want funds to help reduce the cost of eight townhomes for lower-income families.~~

~~4. Organized People of Elmhurst Neighborhoods, 8 units.~~

~~This community based organization has been funded with \$165,000 in CDBG funds to help subsidize the construction of eight in-fill single-family homes for lower-income buyers.~~

~~5. Evergreen Terrace, East 12th Street and Third Avenue, 80 units.~~

~~Evergreen Baptist Church and OCHI are developing 80 units of elderly rental housing on a Redevelopment Agency site. CDBG funds have been used for a predevelopment loan, and tax-increment funds are writing down the costs. HUD has approved a Section 8/202 application for financing and rent subsidies. Construction is underway.~~

~~6. Allen Temple Arms, Phase II, 82nd Avenue and East 14th Street, 51 units.~~

~~———— This is a church-sponsored elderly rental project adjacent to an earlier project for 75 units. The City has contributed the site and a predevelopment loan. After three previous rejections, their application for HUD Section 8/202 subsidies was approved in October 1984. Construction should start in early 1985.~~

~~7. Victoria Plaza (St. Marks Hotel), 12th and Franklin Streets, 100 units.~~

~~This project involves the substantial rehabilitation of a former hotel into 100 senior housing units. The project was delayed for several years due to the financial problems of the former owner. The new owner is currently proceeding with the project. Section 8 rental subsidies are committed to the developer.~~

~~8. East Bay Transitional Homes, 79th Avenue and MacArthur Boulevard, 12 units.~~

~~This will be a group home for the mentally disabled; it is sponsored by Bay Area Community Services and OCHI. Funding is from HUD Section 8/202 subsidies and \$50,000 in City tax increment funds.~~

The Oakland Housing Action Plan: 1990-1995

The volume of subsidized housing production that Oakland plans to produce over the next five years is a realistic expectation given the fact that there are virtually no federal resources for the development and preservation of family housing, and that there are only limited resources within the Section 202/8 program for housing for elderly and handicapped households. Without the long term rent subsidies that the federal government formerly provided, substantial local resources are required to produce low-income housing in Oakland. Oakland uses tax-increment funds, other Redevelopment Agency funds, CDBG loans, and contributions of City-owned surplus land to make up for the lack of federal subsidies. While Oakland continues to use State housing subsidy programs, the funds are limited and the competition is intense.

Given these limitations, the City has set realistic goals for the production and substantial rehabilitation of housing. The goals are for construction, acquisition, and substantial rehabilitation of affordable, assisted units for very low-, low-, and moderate-income households.

The City has developed a Five-Year Housing Development Plan. In the Plan, the City establishes the following objectives for the five-year period between 1990 and 1995.

Increase in subsidized rental units:

1. Moderate income: 433
2. Low income: 265
3. Very low income: 335

Table 34 represents a numerical estimate of housing units to be developed and rehabilitated along with the households to receive rental assistance over the next five years. This table incorporates the rental housing goals outlined in the draft Five Year Housing Development Plan as well as estimates of the production of ownership units. During this five-year period, it is anticipated that it will be necessary for the City to subsidize market-rate units as well as units affordable to very low-, low-, and moderate-income households. A detailed breakdown by year and source of funding is provided in Appendix E. Many of the units and programs in Table 34 have been previously described in detail.

The production goals for subsidized units are based on a number of assumptions. First, the projected funds available from the City is estimated at \$34,450,000 over the period between 1990 and 1994. The City of Oakland Redevelopment Agency, through tax increment funds, will provide the majority of these funds. Second, it is presumed that City funds will be distributed according to the following formula: 45 percent for very low-income units, 25 percent for low-income units, and 30 percent for moderate-income units. Third, it is assumed that the City will provide only one-half of the subsidy necessary to produce below-market-rate units and that the other half will be made up by private equity or other non-local governmental funding programs. Fourth, several assumptions are made regarding the cost of development in various Community Development Districts in the City. For example, the differential in land cost between a more centrally located district versus districts in the outer sectors of the City was taken into account. In addition, because of the level of density of the downtown area, it was assumed that buildings will be four stories or more, necessitating steel and concrete construction. The calculations for development costs are based on recent City experience with subsidized housing developments and also take into account inflationary factors. Finally, assumptions were made regarding the location of development in the City. It was assumed that approximately half of the subsidized units will be built in the downtown area, with the remaining units built in the other CD districts. Again, these assumptions are based on recent City experience with subsidized housing development.

The figures in Table 34 represent the maximum probable amount of housing activity that is reasonable to project given the lack of federal assistance for the production of new housing and the rehabilitation of existing housing.

Conservation of Affordable Housing Units: A projection of the number of affordable housing units that will be conserved over the period of the action plan is required by State law. The number of units to be conserved cannot be quantified precisely because many City regulations and programs that serve to preserve affordable

TABLE 34

THE OAKLAND HOUSING ACTION PLAN: 1990 THROUGH 1994

| | 1990 | | | 1991 | | | 1992 | | | |
|----------------------|-------|-----|-----|-------|-----|-----|-----------------|------|-----|--------|
| | V-Low | Low | Mod | V-Low | Low | Mod | V-Low | Low | Mod | |
| New Construction | 88 | 73 | 136 | 59 | 60 | 73 | 91 | 67 | 133 | |
| Ownership | 0 | 5 | 19 | 0 | 16 | 0 | 0 | 0 | 27 | |
| Rental | 88 | 68 | 117 | 59 | 44 | 73 | 91 | 67 | 106 | |
| Rehabilitation | 225 | 225 | 0 | 225 | 225 | 0 | 225 | 225 | 0 | |
| Owner-Occupied | 100 | 100 | 0 | 100 | 100 | 0 | 100 | 100 | 0 | |
| Rental | 125 | 125 | 0 | 125 | 125 | 0 | 125 | 125 | 0 | |
| Household Assistance | 400 | 0 | 76 | 400 | 0 | 100 | 400 | 0 | 100 | |
| Owner | 0 | 0 | 76 | 0 | 0 | 100 | 0 | 0 | 100 | |
| Renter | 400 | 0 | 0 | 400 | 0 | 0 | 400 | 0 | 0 | |
| | 1993 | | | 1994 | | | Five Year Total | | | Totals |
| | V-Low | Low | Mod | V-Low | Low | Mod | V-Low | Low | Mod | |
| New Construction | 57 | 42 | 77 | 60 | 44 | 82 | 355 | 286 | 501 | 1142 |
| Ownership | 0 | 0 | 10 | 0 | 0 | 12 | 0 | 21 | 68 | 89 |
| Rental | 57 | 42 | 67 | 60 | 44 | 70 | 355 | 265 | 433 | 1053 |
| Rehabilitation | 225 | 225 | 0 | 225 | 225 | 0 | 1125 | 1125 | 0 | 2250 |
| Owner-Occupied | 100 | 100 | 0 | 100 | 100 | 0 | 500 | 500 | 0 | 1000 |
| Rental | 125 | 125 | 0 | 125 | 125 | 0 | 625 | 625 | 0 | 1250 |
| Household Assistance | 400 | 0 | 100 | 400 | 0 | 100 | 2000 | 0 | 476 | 2476 |
| Owner | 0 | 0 | 100 | 0 | 0 | 100 | 0 | 0 | 476 | 476 |
| Renter | 400 | 0 | 0 | 400 | 0 | 0 | 2000 | 0 | 0 | 2000 |

housing do not yield numerical results. These include residential rent arbitration regulations, condominium and residential-to-non-residential conversion controls, controls on the demolition of rooming units, and the housing inspection services. It is impossible to say how many units would become higher-income housing, convert to commercial use, or be demolished if these controls were not in place. The identifiable number of units which will be conserved from 1985-1990 1990 to 1995 are estimated in Table 35.

The Adequacy of the Action Plan

~~There are a number of standards by which the Action Plan may be reasonably measured. From the standpoint of those families who are denied decent, safe, and sanitary housing, or those renters who will remain frustrated by the high cost of purchasing a home in Oakland, the Plan is, of course, inadequate. When viewed in relation to the numerous constraints the City is facing, however, Oakland's housing effort may be considered a comprehensive attempt to use virtually every approach at its disposal to meet the City's housing need.~~

~~The City's Action Plan is also generally adequate in relation to ABAG's estimates of the need for new low and moderate-income housing in Oakland. The Action Plan's net increase in these categories (3,372 units) is only 126 units less than the ABAG estimate of need.~~

Assessment of the City's Housing Action Plan

The City's Action Plan is generally adequate in relation to ABAG's estimates of the need for new very low-, low-, and moderate-income housing in Oakland. The City projects a net increase in these categories of 1,053 units in relation to ABAG's estimate of the need for 2,044 new subsidized units. The City and Redevelopment Agency are committing a substantial amount of funds annually to the construction of new subsidized housing units. Given the lack of federal and state funds, it is not possible to meet ABAG's estimated need.

It is difficult to fully assess the adequacy of the City's assisted rehabilitation effort because ABAG has not established a target for the community, and accurate information on the condition of the stock occupied by low- and moderate-income households is not available. Considering that there presently are at least 10 separate rehabilitation programs active in the City, including ones involving both owner-occupied and rental units, conservation activities clearly are receiving a high priority.

In conclusion, the City's development goals may be considered adequate when judged according to any reasonable criterion. While

TABLE 35

AFFORDABLE HOUSING UNITS TO BE CONSERVED: OAKLAND, 1990-1994

| | LOWER INCOME | MODERATE INCOME |
|--|-----------------|--------------------|
| Existing Section 8 Units As of March 1990 | 2,264 | - |
| Housing Voucher Program Units 1990-1994 | 2,000 | - |
| Housing Authority Owned Units As of March 1990 | 3,318 | - |
| Other Subsidized Rental Housing as of March 1990 | 5,327 | - |
| Purchase Assistance For New and Existing Homes (1990-1994) | 0 | 476 |
| TOTAL UNITS TO BE CONSERVED | 13,191 | 476 |

the programs and actions undertaken by the City may not be successful in substantially ameliorating all housing problems in Oakland, they constitute a coherent program representing a maximum effort in that direction.

Proposed Projects

A summary of major proposed subsidized housing developments that are likely to be completed within the next two to three years is presented below. These projects represent 1,249 units of which 650 (52 percent) are affordable to households below 80 percent of median income.

I. New Subsidized Rental Housing

A. Projects Approved:

California Hotel, 3501 San Pablo Avenue, 149 units.

The California Hotel is a rehabilitated historic hotel which provides 133 very-low-income single-occupancy units, 16 market-rate studio units, and commercial space. Oakland Community Housing, Inc. (OCHI) is the developer. Funding sources include: \$1,494,500 in a State Special User Housing Rehabilitation Program grant (SUHRP); \$1,100,000 deferred loan from City Housing Development Grant (HDG) funds, City/Agency funds in the amount of \$4,700,000; and private financing in the amount of \$1,300,000. Construction is underway, and occupancy is scheduled for January, 1991.

Frank G. Mar Apartments, 13th and Harrison, 119 units.

The Frank G. Mar Apartments is a new housing development consisting of 119 multi-family rental units, 40 percent of which are affordable to households at 50 percent of median income. The development also consists of retail space and a parking garage. East Bay Asian Local Development Corporation (EBALDC) developed the project with funds from the Redevelopment Agency in the amount of \$4 million, \$5,523,579 from City HDG funds, private financing in the amount of \$3,350,000, and other funds in the amount of \$1,150,000. The project was fully occupied in August, 1990.

San Antonio Terrace, 14th Avenue and E. 22nd Street, 23 units.

OCHI developed this 23-unit multi-family rental property. Sixty percent of the units are affordable to low-income households, and 40 percent are affordable to households at 50 percent of median. Development funds came from the City/Agency in the amount of

\$547,000; City HDG funds in the amount of \$650,000; and \$1,325,000 from the California Housing Finance Agency (CHFA). The project is fully occupied.

Slim Jenkins Court, 7th and Willow Streets, 32 units.

This new construction housing development consists of 32 units of rental housing with 40 percent of the units affordable to households at 50 percent of median income. Slim Jenkins Court Associates is the developer of this project, which is currently under construction with occupancy scheduled for July, 1991. Funding comes from the City/Agency in the amount of \$2,362,415; a \$950,000 HDG; \$1,882,700 in CHFA funds; and a \$278,785 CDBG land acquisition grant.

St. Columba Senior Housing, 6501 San Pablo Avenue, 56 units.

This HUD Section 202/8 elderly housing development was developed by St. Columba Development Corporation. In addition to the Section 202 mortgage and the Section 8 rental assistance provided by HUD, the City of Oakland has contributed \$675,000 to the project. The project is fully occupied.

Hope Senior Housing, MacArthur Avenue and Alvingroom Court, 54 units.

This project is a HUD Section 202/8 elderly housing development, consisting of 54 units of housing, which is 100 percent affordable to very low-income seniors. The project is developed by Hope Senior Development Corporation. The City has contributed \$872,500 in gap financing for costs not covered by the HUD Section 202 mortgage. The project is occupied.

Suncrest Apartments, 9410 MacArthur Boulevard, 18 units.

United Together, Inc. purchased a motel on MacArthur Blvd., which it is turning into family housing affordable to very-low-income families. The Agency allocated \$738,660 in funds for the development of the project.

EBALDC Multi-Family Housing, 2509 E. 14th Street, 90 units.

Forty-nine percent of these units will be affordable to households below 80 percent of median income. The Redevelopment Agency has authorized \$1,517,000 for development activities. Construction is due to begin in 1992.

OCHI Multi-Family Housing, 2530 E. 14th Street, 26 units.

Forty percent of these units will be affordable to households below 60 percent of median income. The Redevelopment Agency has authorized \$650,000 towards development activities. The project will also use funds from the State of California Rental Housing Construction Program. It is anticipated that construction will begin by Fall, 1991.

Marcus Garvey Commons, Goss Street, 22 units.

Thirty-five percent of the units of this project, sponsored by Jubilee West and EBALDC, will be affordable to households at 50 percent of median and below. The Redevelopment Agency has authorized a deferred loan in the amount of \$845,000 towards the development of the project. Construction is due to begin in Fall, 1991.

OCHI Multi-Family Housing, 6455 Foothill Boulevard, 51 units.

Forty percent of these units will be affordable to households below 60 percent of median income. The Redevelopment Agency has allocated \$750,000 towards development activities. The project has received funding from the State of California's Rental Housing Construction Program. It is anticipated that construction will begin by Fall, 1991.

B. Other Rental Housing Developments in Process

Scattered Site RFP, 13 units.

Currently City staff is evaluating proposals to develop housing on City-owned vacant scattered sites in three neighborhoods in Oakland. At this time, two contracts have been awarded. The total number of lots to be developed is 24. It is anticipated that 9 units will be rental units. The City will sell the land at \$1 per lot to a developer selected through the RFP process.

Hope Family Housing, 8334-8340 MacArthur Boulevard, 21 units.

Hope Housing Development Corporation has plans to develop 21 units of multi-family rental housing affordable to households at 80 percent of median. A request for funds is being submitted to the City. Construction may begin in Spring, 1992.

Dimond Park, 3573 Dimond Avenue, 24 units.

OCHI is proposing to develop 24 multi-family rental units at this location. All units will be affordable to households at 80 percent of median. OCHI is currently seeking funds and is preparing a request for Redevelopment Agency funds. It is anticipated that construction will begin in Spring, 1992.

Chinatown Redevelopment Project, Chinatown, 50 units.

Fifty units of rental housing affordable to households at 80 percent of median income will be developed as part of the mixed-use development project in the Chinatown section of downtown Oakland. Funds will be available from the Redevelopment Agency as well as from private sources. It is anticipated that the units will be completed in 1993.

Lucas Dallas Development, 246 units.

Lucas Dallas developers are negotiating to develop housing and commercial space on a one-and-three quarter block site surrounded by 8th, 9th, Clay, Jefferson, and Washington Streets in downtown Oakland. Initial plans call for 246 units of rental housing of which 20 percent will be affordable to households at 80 percent of the median income. In addition, the developers are proposing to develop 60 market-rate condominiums and 70,000 square feet of commercial space.

II. New Subsidized Ownership Housing

Townsquare Housing, 101st Avenue and East 14th Street, 27 units.

Townsquare is being developed by Dareco developers. Fifty-one percent of the houses will be affordable to households at 80 percent of median income. The City has subsidized the land cost. Construction is due to begin in 1992.

North Oakland Housing Program, 12 units.

Twelve units of single-family housing are being constructed at various sites in North Oakland. Seven houses will be available to low-income households. Four units were recently completed; five units are scheduled to be completed in 1991. The City has subsidized the project with a land write-down.

Victorian Village, 14th and Market Streets, 56 units.

Victorian Village is a 56-unit homeownership project for first-time homebuyers. The developers are Project West Partnership. The

first and second phases are completed, with a total of 31 units completed. The homes will sell at market rate. The City sold the land to the developer.

Oakwood Estates, 105th Avenue, 36 units.

This project, involving the construction of 36 homes for homeowner-ship, will be developed in a joint venture between OCCUR Community Information Service (OCIS) and CP Developers. Fifty-one percent of the units will be for households below 80 percent of median income. The City has allocated \$435,000 towards development. Construction is scheduled to be completed by the beginning of 1992.

Golf Links Road, Rehabilitation, 21 units.

Oakland Neighborhood Housing Services (ONHS) is rehabilitating 22 houses on Golf Links Road. The homes are available to first time homebuyers. Seventy-seven percent of the homes will be available to households at 80 percent of median income; 10 percent will be available at 120 percent of median income, and 13 percent will be market rate. Fifteen units are completed.

Elmhurst Vacant Housing Program, 9 units.

Oakland Neighborhood Housing Services (ONHS) will develop housing in the Elmhurst neighborhood. Under the proposed plan, there will be substantial rehabilitation or new construction to provide 9 affordable homes on vacant properties in the district. A request to the City Council in the amount of \$250,000 from the Vacant Housing Fund is pending.

West Oakland Scattered Site RFP, 11 units.

City staff is evaluating proposals to develop housing on City-owned vacant scattered sites in three neighborhoods in Oakland. It is anticipated that 11 homes will be developed for sale to first-time homebuyers in West Oakland. It is anticipated that construction will begin in 1991.

OPEN Townhouses, 90th and MacArthur, 12 units.

Organized People of Elmhurst Neighborhoods (OPEN) is proposing to develop 12 townhouses to sell to first-time homebuyers. It is anticipated that construction will begin in Spring, 1992.

Lucas Dallas Development, 60 units.

As noted above, Lucas Dallas developers are negotiating to develop housing and commercial space on a site surrounded by 8th, 9th, Clay, Jefferson, and Washington Streets in downtown Oakland. Initial plans include 60 market-rate condominiums. It is anticipated that construction will begin in Spring, 1992.

Golf Links Road Homeownership, 10 units

A private developer will develop 10 new houses on Golf Links Road. Three homes will be available to households at 100 percent of median. The City will sell the land to the developers. The homes may be completed in Spring, 1992.

Central East Oakland Scattered Sites, 8 units.

Central East Oakland Housing and Development Corporation is developing 8 units of single-family housing to be sold to households at 80 to 100 percent of median income. The City will sell a portion of the land to the developer. The first two units are scheduled to be under construction by 1991.

Mortgage Credit Certificates, 100 per year for five years.

As is outlined in Table 34, it is anticipated that the City will continue to receive Mortgage Credit Certificates for first-time homeowners in Oakland. It is expected that 100 Mortgage Credit Certificates will be available each year for the next five years. Presumably, a portion of the certificates will be used to assist potential homebuyers in purchasing the homes that are described above.

The Action Plan For Housing: 1985-1990

Table 34 presents a numerical estimate of housing units to be developed and rehabilitated and existing units to be subsidized over the next five years. Only housing serving low and moderate-income households is shown since that is the only segment of the market where the City can exert a direct influence. A detailed breakdown by year and source of funding is provided in Appendix E. Many of the units and programs in Table 34 have been previously described in detail.

The figures in Table 34 represent the maximum probable amount of housing activity that is reasonable to project given the lack of commitment and low priority that subsidized housing has under the present Administration. The estimates for 1985 and 1986 are the most reliable, while those of the last two years are very problematic. In preparing these estimates the following assumptions were

made:

1. HUD's Section 8/202 program for new construction for the elderly and handicapped will continue to be available.
2. Legal authority will exist throughout the period for the City to issue mortgage revenue bonds for the financing of single-family and multi-family new construction and existing home purchases.
3. There will be continued availability of HUD's HODAG, Rental Rehab, and Section 312 program funds.
4. Funding of HUD's Community Development Block Grant program will not decrease, thus allowing the City's owner-occupied home rehabilitation program to continue operating at its current level.
5. The Section 8 Existing program will be phased out and replaced totally by rental vouchers. New rental voucher authority will be allocated to the Housing Authority in modest amounts. There will be no funds for new public housing construction.

~~THE HOUSING ASSISTANCE PLAN (HAP)~~

~~The Housing Assistance Plan (HAP) contained in the City's Community Development application is Oakland's prime coordinating tool between municipal implementation and Federal and State funding sources for housing.~~

~~As such, it is considered integral to the function of the housing element and is considered an official part of the document. As part of the element, the HAP helps bridge the potential gap between City housing policy and program implementation.~~

~~Because the Housing Element is published at infrequent intervals, the inclusion of the annual HAP provides current data on the City's housing goals for assisted housing, current locations for proposed housing for lower income persons, current estimates of condition of the local housing stock, and current estimates of housing needs of low and moderate income households in Oakland. The inclusion of the HAP also provides a short-range action plan for the City's housing programs. The overall function of the HAP is to link the City's housing activities closely into the community development and comprehensive planning processes and to put new emphasis on local housing services.~~

APPENDIX A

OPERATING STANDARDS RELATED TO PUBLICLY-ASSISTED HOUSING POLICIES

The following sets forth the operating standards and exceptions that relate to the policies contained in Chapter 6 dealing with publicly-assisted housing. Supplementing nearly each policy are one or more operating standards; these are more specific statements--sometimes statistical in nature--which more easily permit the policies to be put in action. In addition to policies and operating standards, there are also special operating exceptions. These exceptions take into account the fact that an across-the-board application of some standards may be inappropriate and thus should not be applied in certain situations.

All the policies are repeated in this appendix for a more complete understanding of the total system.

OVERALL POLICY

1. Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices and to fit harmoniously into its immediate surroundings without impacting the neighborhood, its schools, or other public facilities serving it.

CITYWIDE POLICIES AND STANDARDS

Census Tract Capacity Policy

2. To give a greater choice of housing locations for low and moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will generally be allowed only in census tracts which have remaining capacity for such housing.

Related Operating Standard

At this time publicly-assisted units will be limited to eight percent of the total housing units in each census tract.

Family Housing Policy

3. The City will use a school capacity rating and a

publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing.

Related Operating Standard

The City will use the priority system as shown in Table A as a basis for choosing among proposals for assisted family housing and as a general indication of locational preferences. (The letters H, M, and L are used to indicate High, Medium, and Low priorities respectively, while "None" indicates that no more assisted housing is recommended.)

Elderly Housing Policy

4. Publicly-assisted elderly housing may be developed throughout the City, limited only by the remaining capacity for additional assisted housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing may be developed, family housing should have priority since site locations available for this kind of household are more limited.

Related Operating Standard

In census tracts where assisted family housing is allowed, the number of new elderly housing units will be limited to 25 percent of the remaining tract capacity or one project, whichever is larger.

Exceptions to Citywide Standards

The above policies and standards represent a general approach to assisted housing distribution which, when applied in specific cases, may be inappropriate or conflict with other City goals. The following special operating exceptions are designed to prevent inappropriate application of the guidelines under certain circumstances.

The City's goal of achieving and maintaining a totally standard housing stock shall take priority over the City's assisted housing distribution policies. Therefore, assisted housing programs which are specifically designed to transform substandard into standard housing are not to be restricted by assisted housing distribution operating standards.

The unique character of the Oakland Central District makes it particularly suited to housing for the elderly. Therefore, assisted elderly housing will not be restricted by citywide distribution standards in Oakland's Central District.

The Section 8 "Existing" Rental Assistance Program allows program participants to seek their own housing unit on the private market.

The unit's location should be consistent with each individual family's preferences as to types of neighborhood, schools, racial and ethnic mix, community facilities, and general environment. In most cases, the program will result in one subsidized unit per location. For these reasons, the Section 8 "Existing" program will not be subject to citywide distribution requirements.

TABLE A
CENSUS TRACT PRIORITIES FOR ASSISTED
FAMILY HOUSING BY SCHOOL CAPACITY
RATINGS AND CONCENTRATION LEVELS

| <u>Elementary School Ratings</u> ¹ | <u>Existing Assisted Housing Concentration Levels</u> ² | | |
|---|--|-----------------|------------|
| | <u>High</u> | <u>Moderate</u> | <u>Low</u> |
| Under Capacity | L | M | H |
| At Capacity | None | M | H |
| Overcrowded | None | None | M |
| Seriously Overcrowded | None | None | None |

¹School capacity ratings are based on the permanent school capacity versus present enrollment as measured by the number of students in portable classrooms. "Under Capacity" means that there are no portables; "At Capacity" means that up to 10% of students are in portables; "Overcrowded" means that up to 25% of students are in portables; and "Seriously Overcrowded" means that over 25% of students are in portables.

²Concentration levels are determined by using a rank ordering of the assisted housing proportion of the housing stock in each census tract. The levels of concentration are derived by dividing the rank order of tracts into thirds, with the third of the tracts with the lowest percentage of assisted housing designated a "Low" concentration; those in the middle third, a "Moderate" concentration; and the top third a "High" concentration of assisted housing.

NEIGHBORHOOD LOCATIONAL POLICIES AND STANDARDS

Land Use and Zoning Policy

5. Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or nonconformity to existing zoning regulations, while important to consider, should not necessarily preclude its evaluation.

Elderly Housing Policy

6. Publicly-assisted housing for the elderly should be within walking distance of a bus stop, a supermarket, a drugstore, and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime, or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor, and a social center should also be considered in assessing the location of a proposed project.

Related Operating Standards

Publicly-assisted housing for the elderly should be located within two blocks of a bus stop and in no case should be more than one-quarter mile from a bus stop unless transportation is provided by the development.

Publicly-assisted housing for the elderly should be located within one-quarter mile of a supermarket and within one-half mile of a laundromat and a drugstore.

The terrain between the front door of a proposed publicly-assisted elderly housing project and a laundromat should be relatively flat. A developer proposing to put elderly housing in a hilly area should have evidence from medical experts that the slopes which residents have to climb are not steep enough to threaten their health.

A "safety rating" provided by the Oakland Police Department should be used in assessing proposed locations for publicly-assisted housing for the elderly.

Family Housing Policy

7. Residents of publicly-assisted family housing should have convenient access to transportation, shopping, recreation, shopping, parks and recreation areas, child care centers, and

elementary schools within the neighborhood.

Related Operating Standard

Publicly-assisted family housing should be developed on sites within one-quarter mile of as many of the following facilities as possible: transit stops, shopping facilities, a park or recreation area, an elementary school, and a child care center.

NEIGHBORHOOD SPACING POLICIES AND STANDARDS

Neighborhood Policy

8. Assisted family housing projects should be adequately spaced to ensure that the negative consequences of impacting a relatively small area (neighborhood) will not occur.

Related Operating Standard

The City will use the "Spacing Operating Standards Matrix" shown in Table B as the basis for deciding whether a proposed assisted family housing project meets the City's spacing policy.

Block and Blockface Policy

9. In general, not more than one parcel containing assisted family housing should occur in the same block or in the two blockfaces having a common street frontage (the area abutting both sides of a street between two intersecting streets).

Related Operating Standards in Special Situations

If an assisted housing development is proposed or is already located on a corner parcel, the affected area (for purposes of applying the basic policy) would comprise the block in which the parcel is located, the two opposite blockfaces, and those portions of the blockfaces in the two opposite blocks and in the block diagonally across from the corner parcel that measure 200 feet from the center of the intersection.

In large rectilinear or curvilinear blocks, an assisted housing development should be no nearer than 500 feet to another assisted housing development in the same block or in the opposite blockface.

Exceptions to All Spacing Standards

Spacing standards shall not apply to the following:

Proposed assisted elderly projects.

One-unit projects or to the renting (under Section 8) of one unit in a building--unless one or more units are already

rented in the building. (However, all such units will be counted in determining how many assisted units already exist in a specifically affected area.)

Across major physical barriers. (Existing assisted units that are located within the rectangle, but that are separated from a proposed project by a major physical barrier, will not be counted as being in the "affected" area.)

PROJECT DEVELOPMENT POLICIES AND STANDARDS

The site and project design guidelines were for the most part taken from the report Public Housing Site Selection and Development Guidelines, adopted by the City Planning Commission in 1968 and revised in 1972.

Project Size Policy

10. The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New family housing projects to be owned and operated by The Oakland Housing Authority should, however, be limited at any one location to twelve bedrooms in any combination up to six units.

Related Operating Standard

The maximum number of family assisted units at any one location should be limited to 100 bedrooms in any combination up to 50 units.

Site and Project Design Policies

11. The location, design, and site planning of assisted housing development should provide a functional, convenient, and attractive living environment for its occupants.
12. The buildings, grounds, and landscaping of assisted housing should be developed and maintained at a level which would not adversely affect the livability or appropriate development of abutting properties or the immediately surrounding area.

Related Operating Standards

Site Selection

Sites for assisted family housing should not be located on arterial

streets. Sites for assisted elderly housing may be located on arterials and should be near good public transportation and other conveniences.

Lot width should be at least 40 percent of lot depth for all lots less than 75 feet wide.

Overall Appearance and Building Design

The building or buildings and their related open spaces should be carefully related in massing, site composition, materials, and color to the surrounding buildings, open spaces, and permanent landscaping.

Where common entrances or lobbies are used, they should be designed to minimize the danger of free access by unwanted visitors. Windows should not be too close to the ground and should be capable of being secured even in a partially open position in order to reduce the danger of unlawful entry.

Usable Open Space Areas

The placement of the building or buildings on the lot should be such as to maximize usable open space areas. Rear yards rarely function well as usable open space unless they are at least 20 to 25 feet deep.

Group usable open space should be of such a size and shape that a rectangle inscribed within it shall have no dimension of less than 15 feet. Long narrow spaces are unacceptable. It shall be increased by 30 square feet of contiguous area for each additional bedroom beyond two bedrooms in each unit.

Several kinds of open spaces should be provided on a lot such as an area for mothers with babies and an active recreation area for the 6-to-12-year olds.

All open space and recreational areas should be suitably surfaced. Loose material--such as gravel, sand, bark, etc.--should be avoided. At least one-half of the group usable open space should be grass.

All usable open space areas should be reasonably level. Slopes of over ten percent should be terraced.

If recreational areas are adjacent to parking areas, garbage areas, or the street, they should be screened by a solid or grille, lumber or masonry fence at least three and one-half feet high, or by dense landscaping at least three and one half feet high and three feet wide.

Recreational areas should be screened from abutting lots by a solid

lumber or masonry fence or wall at least five and one-half feet high or by dense landscaping at least five and one-half feet high and at least three feet wide.

Landscaping, Fencing, and Screening

It is recommended that whenever landscaping is required, a durable grass be installed together with a suitable sprinkler system. This would apply to all areas at least 5 feet wide, especially those that might be used by children. Sprinklers could be operated by the "resident maintenance person."

Ground cover, such as ivy, is appropriate along strips, one or two feet wide, along fences, walls, or buildings. Fences surrounding parking areas could be made highly attractive with plants such as ivy or pyracantha.

If larger areas are to be landscaped with something other than grass, suitable plants resistant to children should be planted.

The space between the parking space and the public sidewalk should be planted with durable, child-resistant plant materials.

All trees to be planted should be mature or hardy enough to resist children. For example, a trunk at least 1-1/2 inches thick (at a point 3 feet off the ground), might be adequate.

Loose ground cover (such as bark, gravel, or sand); susceptible to being carried away should be avoided.

Where landscaping is used in place of a fence or wall, the Zoning Regulations' standards should be followed.

The area between the sidewalk and street curbing should be concrete and contain appropriate street trees.

All fences should be well constructed. Boards or planks, when used, should be at least one inch thick (3/4 inch finished) and painted with at least two coats of penetrating wood stain. Grape stake fences are completely inadequate, because the stakes can be knocked out quite easily.

All fences should be properly maintained and mended when necessary.

All perimeter fences should be solid (not open type). Internal fences may be up to 30 percent open.

The lot should be provided with adequate screening at the side and rear lot lines by a fence, wall, or landscaping at least five and one-half feet high. For screening at or near street lines, when parking area is visible, see Parking Area recommendations.

Fences between the parking area and the sidewalk should be either masonry or chain-link with redwood slats.

Parking Areas

Whenever possible parking areas should be physically separate from pedestrian access areas. In cases where separate pedestrianways cannot be provided, a different surface treatment (such as exposed aggregate) would indicate the extent of the pedestrian access areas.

All parking areas should be provided with screening or separation elements as follows:

- a. Screening from the street or adjacent recreational areas: by a solid or grille, masonry wall or chain-link/redwood slat fence three and one-half feet high or by dense landscaping three and one-half feet high and at least three feet wide.
- b. Screening from abutting lot: same as on side or rear lot lines (see Landscaping, Fencing and Screening above).
- c. Separation from all other areas: by a 6" raised concrete curb, preferably a step-up rather than step-over curb.

Opening into parking areas at the front property line should not exceed the permitted curb cut in width to provide maximum screening at the front property line.

No more than three cars should be parked in a manner that requires them to be backed across the sidewalk.

Whenever possible, the perimeter of the parking area should be provided with landscaping (such as climbing ivy) along the perimeter fence.

All parking spaces should be provided with permanently affixed wheel stops and should be striped and individually numbered; each tenant owning a car should be assigned a space.

TABLE B

SPACING OPERATING STANDARDS MATRIX

| If The Total Proposed Project is Between | | Then The Number of Total Units (Existing Units Plus Units In the Proposed Project) Located Within The Specified Rectangle And All Succeeding Larger Rectangles (Centered On The Project Site): | |
|--|--|--|------|
| (Number of Housing Units) | | | |
| Cannot Exceed Number of Housing Units ² | Whose Dimensions In A High-Density Area Are: | Or Whose Dimensions In A Low-Density Area Are: ¹ | This |
| | | | |
| 2 thru 8 8 | 400 x 800 | 600 x 1200 | |
| 9 thru 20 20 | 600 x 1200 | 1000 x 1600 | |
| 21 thru 50 50 | 1000 x 1600 | 1400 x 2000 | |
| 51 thru 80 80 | 1400 x 2000 | Projects of This Size Are Not Per- mitted In a Low Density Area | |

¹A high-density area is one which averages approximately 15 units or more per net residential acre.

²A low-density area is one which averages approximately 14 units or less per net residential acre.

MATRIX EXPLANATION AND EXAMPLE

If the proposed project is for 15 units in a high-density area, then starting with the specified rectangle, 600 x 1200, centered on the site, there cannot be more than five existing units, in

addition to the proposed 15, within the rectangle. In addition, the proposed project must be evaluated against all succeeding rectangles: no more than 35 existing units (50 less 15) in the 1000 x 1600 rectangle and no more than 65 units (80 less 15) in the 1400 x 2000 rectangle. It obviously does not have to meet the test in any rectangle smaller than the specified rectangles. If adding 15 units, as proposed, exceed the maximums in any of the rectangles, the proposed project size would have to be reduced accordingly in order to meet this guideline.

APPENDIX B

ENERGY CONSERVATION SECTION OF THE OAKLAND HOUSING ELEMENT

The City of Oakland is strongly committed to energy conservation as an integral part of its housing development strategy. Approaches are being pursued to conserve energy both in the development of new housing and in the improvement of existing housing.

Oakland is using a variety of methods to conserve energy in new housing development. A major one is the encouragement of new higher-density housing where it is consistent with the preservation of neighborhood quality and other goals set forth in the Housing and Land Use Elements. Such housing would also lessen transport-energy use since residents could walk or use public transportation for their journey to work.

Oakland is also working actively to increase housing in its central area. The City has required that the developers of the City Center project include housing as part of the development. Such housing would be immediately adjacent to major centers of employment in Oakland.

The City is also seeking to develop higher-density housing in the areas surrounding stations of the Bay Area Rapid Transit System. There are eight stations within Oakland. The City will cooperate with BART staff who are assigned to work on station area housing development.

On a citywide level, the Land Use Element and the Zoning Ordinance encourage high-density residential construction in a number of areas. These include the Central District, the Lake Merritt, and the Piedmont areas. Such construction is also permitted in a number of important transit corridors such as MacArthur Boulevard, Bancroft Avenue, Fruitvale Avenue, and others (see Map 4 on Page 83 in the Land Use Element, "Generalized Zoning"). In particular, the Land Use Element identifies a number of areas and sites where increased density development may be possible, including the MacArthur-Broadway area, the San Pablo gateway area in the Central District, and the Fruitvale Avenue/East 14th Street area (see the Land Use Element's overlay of Map 2 on page 17, "Alternate or Longer-Run Uses"). The Land Use Element also supports the construction of planned unit developments (PUD's) in low-medium to

medium-density residential zones in the Oakland Hills. The Zoning Ordinance allows these PUD's to incorporate up to 33 percent more dwelling units than the otherwise allowable maximum. None of the measures discussed in the above paragraphs increase housing costs.

All agencies in Oakland concerned with housing are taking steps to conserve energy in existing housing. The Department of City Planning published an award-winning home-owner's guide to energy-conserving home rehabilitation techniques called Retrofit Right. The Office of Community Development, charged with the conservation of existing housing, also has administrative policies for energy conservation. All rehabilitation loans and grants administered by the office now require, within the realistic financial limits of each rehabilitation project, insulation and building envelope tightening as high priority items. In addition, rehabilitation staff have been trained in state-of-the-art energy auditing and conservation techniques. And finally, the Oakland Housing Authority is pursuing an active energy conservation policy of retrofitting its units to lessen both building envelope and hot water heating energy loss. The Authority is also evaluating the cost effectiveness of further energy conservation projects.

Appendix C



City of Oakland
ZONING SUMMARY

■ Uses Permitted Outright or
□ Conditional Use Permit Granted (See Code text for unlisted uses)

The most basic elements of the Zoning Regulations are summarized here to cover frequently sought information. Use this chart only as a quick reference. Development decisions and information on parking, yards, open space, and special provisions such as conditional use permits, etc. should be based on a review of the full Zoning Regulations.

| | | One-Family Dwelling | Two-Family Dwelling | Multi-Family Dwelling | Mobile Home Park | Public Office Building | Hospital | Doctors Office Building | Administrative Offices | General Food Sales | Alcoholic Beverage Sales | General Retail Sales | Gas Station | Motor or Hotel | Research Service | Wholesaling | Custom Manufacturing | Light Manufacturing | General Manufacturing | Heavy Manufacturing | Billboard | Convenience Market/Fresh Food Restaurant | Size Restriction on Some or All Commercial Uses | Social Controls on Ground-Floor Establishments | Construction Remodeling | Demolition | Minimum Size of New Residential Lot (sq ft) ^a | Minimum Lot Area (sq ft) Per Residential Dwelling Unit ^b | Maximum Floor Area Ratio | | Maximum Height in Feet (and Stories) ^d | |
|-------------------|---------------------------------------|---------------------|---------------------|-----------------------|------------------|------------------------|----------|-------------------------|------------------------|--------------------|--------------------------|----------------------|-------------|----------------|------------------|-------------|----------------------|---------------------|-----------------------|---------------------|-----------|--|---|--|-------------------------|------------|--|---|--------------------------|----------------------|---|--|
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Residential | Nonresidential | | |
| RESIDENTIAL | R-10 ESTATE | | | | | | | | | | | | | | | | | | | | | | | | | | 25,000 | 25,000 ^b | | | 30' | |
| | R-20 LOW DENSITY | | | | | | | | | | | | | | | | | | | | | | | | | | 12,000 ^a | 12,000 ^{a,b} | | | 30' | |
| | R-30 ONE-FAMILY | | | | | | | | | | | | | | | | | | | | | | | | | | 8,000 | 8,000 ^b | | | 30' | |
| | R-35 SPECIAL ONE-FAMILY | | | | | | | | | | | | | | | | | | | | | | | | | | 5,000 | 2,500 ^b | | | 30' | |
| | R-40 GARDEN APARTMENT | | | | | | | | | | | | | | | | | | | | | | | | | | 8,000 | 2,500 ^{b,c} | | | 30' | |
| | R-50 MEDIUM DENSITY | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 1,800 ^{a,c} | | | 30' | |
| | R-60 MEDIUM-HIGH DENSITY | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 800 ^{c,d,e} | | 1,800 ^{d,e} | 40' | |
| | R-70 HIGH DENSITY | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | 2,250 ^{d,e} | | |
| | R-80 HIGH-RISE APARTMENT I | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 300 ^{c,d,e,f} | 2,250 ^{d,e,f} | 3,500 ^{d,e} | | |
| | R-90 DOWNTOWN APARTMENT I | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 150 ^{c,d,e} | 700 ^{d,e} | 700 ^{d,e} | | |
| COMMERCIAL | C-5 NEIGHBORHOOD SERVICING | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 2,500 ^{b,c} | | | 35' | |
| | C-10 LOCAL RETAIL | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 1,600 ^{a,c} | | | 45' | |
| | C-20 SHOPPING CENTER | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 1,600 ^{a,c} | | | 45' | |
| | C-25 OFFICE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | | 45' | |
| | C-27 VILLAGE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | 200 ^{d,e} | | 45' | |
| | C-30 DISTRICT THOROUGHFARE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | | 45' | |
| | C-31 SPECIAL RETAIL | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | | | |
| | C-35 DISTRICT SHOPPING | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | | 35' | |
| | C-36 BOULEVARD SERVICE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | | | |
| | C-40 COMMUNITY THOROUGHFARE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 800 ^{c,d,e} | | 300 ^{d,e} | | |
| | C-45 COMMUNITY SHOPPING | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 450 ^{c,d,e,f} | | 300 ^{d,e} | | |
| | C-51 CENTRAL BUSINESS SERVICE I | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 300 ^{c,d,e,f} | 400 ^{d,e,f} | 400 ^{d,e} | | |
| | C-52 OLD OAKLAND | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 150 ^{c,d,e} | 700 ^{d,e} | 700 ^{d,e} | | |
| | C-55 CENTRAL CORE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 300 ^{c,d,e,f} | 700 ^{d,e} | | 80' | |
| C-60 CITY SERVICE | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 150 ^{c,d,e} | 700 ^{d,e} | | | | |
| INDUSTRIAL | M-10 SPECIAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0.80 | |
| | M-20 LIGHT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 45' | |
| | M-30 GENERAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | M-40 HEAVY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPECIAL | S-1 MEDICAL CENTER | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 300 ^{c,d,e,f} | 400 ^{d,e,f} | 400 ^{d,e} | | |
| | S-2 CIVIC CENTER I | | | | | | | | | | | | | | | | | | | | | | | | | | 4,000 | 300 ^{c,d,e,f} | 350 ^{d,e,f} | 350 ^{d,e} | | |
| | S-3 RESEARCH CENTER | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COMBINING | S-4 DESIGN REVIEW | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-5 Deleted by Ordinance 10807 C.M.S. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-6 MOBILE HOME PARK | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-7 PRESERVATION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-8 URBAN STREET | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-9 RETAIL FRONTAGE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-10 SCENIC ROUTE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | S-11 SITE DEVELOPMENT REVIEW | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

a. See details or exceptions in Planning Code text.

b. Less is required for units on certain existing undersize lots.

c. May be up to 75 per cent more units in senior citizen housing.

d. May be 10 per cent more units

(or floor area) on corner lot or lot facing park.

e. May be up to 50 per cent more units (or floor area) if development rights acquired from neighboring lots and conditional use permit granted.

f. May be up to 50 per cent more

units (or floor area) in high-rise housing if conditional use permit granted.

g. May be up to 15 per cent more floor area if sufficient plaza provided.

h. A greater height may be allowed via conditional use permit.

i. Required only for residential projects of 5 more new units.

j. Conditional Use Permit required for developments over 100,000 square feet or over 120' in height other than Planned unit Developments.

Appendix D

TABLE 36

HOUSING UNIT CHANGES BY TYPE OF BUILDING: OAKLAND, CALIFORNIA
April 1, 1970 to April 1, 1980

| | GAINED* | | | | | | LOST** | | | | | | NET CHANGE | | | | | |
|---------------------|---------------------|----------|-----|-----|-----|-------|--------|----------|-----|-----|-----|-----|------------|----------|--------|--------|--------|--------|
| | TOTAL | ONE-UNIT | 2 | 3-4 | 5-9 | 10+ | TOTAL | ONE-UNIT | 2 | 3-4 | 5-9 | 10+ | TOTAL | ONE-UNIT | 2 | 3-4 | 5-9 | 10+ |
| | As of April 1, 1970 | | | | | | | | | | | | 146,608 | 71,774 | 13,942 | 17,157 | 11,597 | 32,138 |
| 9 Mos 1970 | 860 | 61 | 12 | 78 | 171 | 538 | 588 | 202 | 136 | 70 | 86 | 94 | 272 | -141 | -124 | 8 | 85 | 444 |
| 1971 | 1,613 | 90 | 32 | 100 | 81 | 1,310 | 772 | 281 | 142 | 85 | 119 | 145 | 841 | -191 | -110 | 15 | -38 | 1,165 |
| 1972 | 1,735 | 187 | 28 | 111 | 168 | 1,241 | 760 | 268 | 144 | 65 | 66 | 217 | 975 | -81 | -116 | 46 | 102 | 1,024 |
| 1973 | 812 | 182 | 0 | 19 | 11 | 600 | 502 | 268 | 100 | 55 | 35 | 44 | 310 | -86 | -100 | -36 | -24 | 556 |
| 1974 | 1,039 | 127 | 6 | 17 | 14 | 875 | 324 | 139 | 92 | 34 | 34 | 25 | 715 | -12 | -86 | -17 | -20 | 850 |
| 1975 | 860 | 138 | 2 | 4 | 22 | 694 | 315 | 149 | 62 | 42 | 38 | 24 | 535 | -11 | -60 | -38 | -16 | 670 |
| 1976 | 1,036 | 148 | 6 | 0 | 288 | 594 | 241 | 105 | 64 | 25 | 17 | 30 | 795 | 43 | -58 | -25 | 271 | 564 |
| 1977 | 307 | 223 | 6 | 11 | 0 | 67 | 184 | 88 | 24 | 32 | 8 | 32 | 123 | 135 | -18 | -21 | -8 | 35 |
| 1978 | 458 | 341 | 2 | 6 | 25 | 84 | 183 | 94 | 34 | 14 | 14 | 27 | 275 | 247 | -32 | -8 | 11 | 57 |
| 1979 | 570 | 239 | 6 | 4 | 21 | 300 | 244 | 55 | 14 | 7 | 32 | 136 | 326 | 184 | -8 | -3 | -11 | 164 |
| 3 MOS 1980 | 192 | 53 | 4 | 4 | 0 | 131 | 84 | 30 | 14 | 10 | 9 | 21 | 108 | 23 | -10 | -6 | -9 | 110 |
| 10-Yr TOTAL | 9,482 | 1,789 | 104 | 354 | 801 | 6,434 | 4,197 | 1,679 | 826 | 439 | 458 | 795 | 5,285 | 110 | -722 | -85 | 343 | 5,639 |
| As of April 1, 1980 | | | | | | | | | | | | | 151,893 | 71,884 | 13,220 | 17,072 | 11,940 | 37,771 |

Source: Oakland City Planning Department based on Building Permit Information.

* Includes: new construction, conversions, and house moves.

**Includes: demolitions, conversions, and house moves.

TABLE 37
HOUSING UNIT CHANGES BY TYPE OF BUILDING: OAKLAND, CALIFORNIA
April 1, 1980 to April 1, 1990

| Year | GAINED * | | | | | | LOST ** | | | | | | NET CHANGE | | | | | |
|---------------------|----------|----------|-----|-----|-----|-------|---------|----------|-----|-----|-----|-----|------------|----------|--------|--------|--------|--------|
| | TOTAL | ONE-UNIT | 2 | 3-4 | 5-9 | 10+ | TOTAL | ONE-UNIT | 2 | 3-4 | 5-9 | 10+ | TOTAL | ONE-UNIT | 2 | 3-4 | 5-9 | 10+ |
| As of April 1, 1980 | | | | | | | | | | | | | 150,229 | 74,374 | 10,888 | 16,544 | 12,167 | 36,256 |
| 9 Mos 1980 | 247 | 179 | 8 | 22 | 11 | 27 | 67 | 49 | 8 | 4 | 6 | 0 | 180 | 130 | 0 | 18 | 5 | 27 |
| 1981 | 1,401 | 232 | 6 | 35 | 73 | 1,055 | 116 | 53 | 24 | 8 | 7 | 24 | 1,285 | 179 | -18 | 27 | 66 | 1,031 |
| 1982 | 297 | 182 | 6 | 24 | 10 | 75 | 99 | 40 | 12 | 18 | 5 | 24 | 198 | 142 | -6 | 6 | 5 | 51 |
| 1983 | 335 | 167 | 14 | 16 | 16 | 122 | 79 | 34 | 16 | 15 | 0 | 14 | 256 | 133 | -2 | 1 | 16 | 108 |
| 1984 | 468 | 164 | 12 | 38 | 25 | 229 | 90 | 32 | 24 | 12 | 6 | 16 | 378 | 132 | -12 | 26 | 19 | 213 |
| 1985 | 305 | 135 | 14 | 33 | 9 | 114 | 63 | 37 | 10 | 9 | 7 | 0 | 242 | 98 | 4 | 24 | 2 | 114 |
| 1986 | 646 | 142 | 36 | 99 | 299 | 70 | 71 | 24 | 4 | 3 | 7 | 33 | 575 | 118 | 32 | 96 | 292 | 37 |
| 1987 | 484 | 216 | 44 | 37 | 126 | 61 | 93 | 33 | 3 | 15 | 14 | 28 | 391 | 183 | 41 | 22 | 112 | 33 |
| 1988 | 331 | 143 | 48 | 60 | 35 | 45 | 43 | 30 | 9 | 4 | 0 | 0 | 288 | 113 | 39 | 56 | 35 | 45 |
| 1989 | 301 | 97 | 48 | 66 | 17 | 73 | 80 | 44 | 12 | 14 | 0 | 10 | 221 | 53 | 36 | 52 | 17 | 63 |
| 3 Mos 1990 | 144 | 38 | 18 | 29 | 14 | 45 | 12 | 7 | 2 | 3 | 0 | 0 | 132 | 31 | 16 | 26 | 14 | 45 |
| 10-Yr. TOTAL | 4,959 | 1,695 | 254 | 459 | 635 | 1,916 | 813 | 383 | 124 | 105 | 52 | 149 | 4,146 | 1,312 | 130 | 354 | 583 | 1,767 |
| As of April 1, 1990 | | | | | | | | | | | | | 154,375 | 75,686 | 11,018 | 16,898 | 12,750 | 38,023 |

SOURCE: Oakland City Planning Department based on Building Permit Information.

* Includes: new construction, conversions, and house moves.

** Includes: demolitions, conversions, and house moves.

APPENDIX E

Annual Action Plan -- Explanation and Assumptions

All of the projected housing unit totals are predicated upon the availability of specific subsidies. Should any of the described programs become unavailable or associated subsidies withheld, activity levels will be correspondingly reduced. The severe fiscal constraints confronting Oakland will prevent the City from increasing program funding significantly above present levels of increasing program funding significantly above present levels of local participation should the described subsidies be terminated.

The projects that are listed in Chapter 8 10 under, ~~"Anticipated Subsidized Housing Activity"~~ *"Proposed Projects"* are included in this section.

NEW CONSTRUCTION:

A. Ownership Housing

1990: It is anticipated that there will be 24 new subsidized homes available for homeownership. Five homes will be available to low-income households through the North Oakland Housing Program. Nineteen homes will be available to moderate income households through the Golf Links Road Substantial Rehabilitation Project. Sources of funds for these housing developments include Redevelopment Agency Housing Trust Fund, CDBG funds, Vacant Housing funds, State funds, and Mortgage Credit Certificates.

1991: There will be 16 new subsidized homes developed for homeownership opportunities for low-income households. Fourteen homes are part of the Townsquare housing development, and two are through the North Oakland Housing Program. Among the sources of funds for these developments are the Vacant Housing funds, CDBG funds, and Mortgage Credit Certificates.

1992: Twenty-seven new subsidized homes will be developed for homeownership opportunities for moderate-income households. The developments include Elmhurst Vacant Housing Program, with 19 of its holes available to moderate-income households, and the Central East Oakland Scattered Site housing development which will contain eight houses affordable to moderate-income households. Funds will be requested from the vacant housing program, CDBG program and Redevelopment Agency Housing Trust Funds, and Mortgage Credit Certificates.

1993: Ten subsidized homes located under the Golf Links Road Homeownership project will be available to households with incomes at 100 percent of median income.

1994: At this stage in the City's plans, it is anticipated that 12 subsidized homes will be available to first-time homebuyers in the moderate-income range at a site at MacArthur Boulevard and 90th Avenue. A request for funds will be made from the Redevelopment Agency Housing Trust Funds, Mortgage Credit Certificates, and CDBG funds.

B. New Rental Housing.

1990: In total, it is anticipated that there will be 273 new subsidized rental units added to Oakland's housing stock in 1990. Of these subsidized units, 117 units will be affordable to moderate-income households, 73 units to low-income households, and 88 units to very-low-income households. The housing developments that include these units are: the California Hotel; the Frank G. Mar Apartments; San Antonio Terrace; Slim Jenkins Court; St. Columba Senior Housing; Hope Senior Housing; and Suncrest Apartments. Subsidies for these projects will come from federal Housing Development Grants, State funds, F=Redevelopment Agency Housing Trust Fund Sources, Vacant Housing Funds, and CDBG funds.

1991: The total number of subsidized rental units expected to be added to the housing stock in 1991 is 176 units. Seventy-three units will be affordable to moderate-income households, 44 to low-income households, and 59 units to very-low-income households. Among the housing development projects that will include these units are the Oakwood Estates development on 105th Avenue which is being developed by OCCUR Community Information Service (OCIS) and CP Developer, the City's scattered site project for which a developer is currently being selected, and the Chinatown Redevelopment Project which will contain 50 units of low-income housing.

1992: It is expected that 264 units of subsidized rental housing will be added to the housing stock in 1992. A portion of the units will be included in the development being sponsored by East Bay Asian Local Development Corporation (EBALDC) at 2509 E. 14th Street, the units being developed by Oakland community Housing, Inc. (OCHI) at 2530 E. 14th Street, and the OCHI development at 6455 Foothill Boulevard. Subsidies have been secured by the Redevelopment Agency Housing Trust Fund and CDBG funds. In addition, applications are pending for State Proposition 84 funds.

1993: The goal in 1993 is to develop 166 new subsidized rental units. Among the developments which will include a portion of these new units are 6455 Foothill Boulevard which is being developed by OCHI, Hope Family Housing which is being developed by Hope Church, and Goss Street which is a joint-venture development between EBALDC and Jubilee West. It is anticipated that subsidized funds for these projects will come from Redevelopment Agency Housing Trust Funds, CDBG funds, and State funds.

1994: It is assumed that in 1994, 174 subsidized units will be added to the housing stock. The anticipated income mix is 70 moderate-income units, 44 low-income units, and 60 very-low-income units. Current plans call for a portion of the subsidized units to be included in the Pardee Place development, which will be located in the downtown area, and OCHI's planned units near Dimond Park. Subsidies will be requested from Redevelopment Agency Trust Funds.

HOUSING REHABILITATION:

1990 through 1994: It is expected that a total of 2250 units will be rehabilitated over the five year period. Annually, 450 homes will receive housing rehabilitation assistance through the City's HMIP program, Rental Rehabilitation Program, and Section 312 loan program.

HOUSEHOLD ASSISTANCE:

A. Homeownership

1990 through 1994: 476 moderate-income households will be assisted through the City's participation in the Mortgage Credit Certificate Program. It is anticipated that certificates will be available at the same level as 1990. Therefore, it is expected that approximately 100 certificates will be available per year.

B. Renter Assistance

Because of the uncertainty of the federal government's plan for housing assistance, the best estimate that can be made is that the Oakland Housing Authority will receive new contract authority for rental assistance at the same level as the past two years. Therefore, it is anticipated that 400 additional very-low-income rental households will be assisted each year for the next five years.



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